

ISRAEL AT 50: A Fractured Dream  
**DRABINSKY: Defending the Deal**



**MARTIN'S NEW CHALLENGE:**  
**The TD Bank-CIBC Merger**

# Maclean's

CANADA'S WEEKLY NEWSMAGAZINE

APRIL 27, 1998

# BOOM

## BUST AND HOUSING

—  
**Canadians are  
bullish—and buying**  
—

**Why Vancouver is  
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# Maclean's CANADA'S WEEKLY NEWSMAGAZINE This Week

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As Maclean's continues to grow, we are pleased to  
announce the addition of new staff to our editorial  
and production teams. We are also pleased to  
announce the departure of several staff members  
who have chosen to leave the magazine. We wish  
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PHOTO COURTESY OF MACLEANS

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# From The Editor

## Bringing old foes together

**J**ohn de Chastelain has seen it all. The former chief of Canada's defence staff and a career military officer has been in the hot spots of the world. But even that did not always prepare him for the violence and terror that were part of life in Northern Ireland, where he was a member of an international panel trying to get warring parties to sign a peace agreement. Still, the 58-year-old Irishman's role led to the Good Friday Agreement, which ended the violence.

Despite the task, there were eight parties, from the North and South, the seven ministers of Ireland and the United Kingdom, and an age-old enmity between Unionists, pledged to retaining Northern Ireland's formal links to Britain and republicans wanting the six counties of the northern province returned to the Republic of Ireland. In a conversation last week, de Chastelain noted that the agreement had "something in it for everybody" (page 34). But he also speculated on some of the prevailing human factors, starting with a general longing for peace after years of bloodshed. There also seemed to be a growing sense of weariness about the toll on both sides—and that finally brought mortal enemies together.

On the Catholic side, there was Gerry Adams, leader of Sinn Féin, the political arm of the Irish Republican Army, who was an MP in the British House of Commons and whose party captured 25 per cent of the popular vote in the March 1998 election. More important, perhaps, Adams now has a son in his early 20s—the same age as Adams was believed to be when he joined the ranks. Adams has said that while he can support the deal, he will not sign until a ap-

proposed by Sinn Féin's general assembly. If that happens, and referendum in the North and South on May 22 ratify the agreement, Adams is almost certain to end up in the proposed 208-seat Northern Ireland assembly, along with many former deadly enemies, in a limited form of self-rule. While that still serves Sinn Féin its goal of one Ireland, Catholics who make up more than 40 per cent of the North will have more say in their governance. *Notes de Chastelain*

"You can beat your head against the wall and send all your leads to jail. But if we can do it at the table, why not?"

There was no less militancy on the other side, represented by five parties, including the Progressive Unionist Party, the political arm of the Ulster Volunteer Force. One of the participants in the talks was Billy Hutchinson, a longtime DUP member, who served 18 years in prison for murder. Yet de Chastelain found that he was "one of the most progressive politicians involved in the process." Hutchinson, adds de Chastelain, "is a man I would believe and trust implicitly."

There are, thankfully, no direct parallels with Canada—certainly we do not have the general history of violence and, hopefully, not the same level of inner intolerance. But when contemplating what the participants in the Irish peace talks accomplished in only 22 months, it is clear that the challenge to Canada's only is a much less daunting affair—and that a solution can be found if people have the will to overcome their differences.

*Robert Lewis*



de Chastelain: 'something for everybody'

## Newsroom Notes:

### The Honor Roll

**F**or Maclean's editors and writers, one of the most satisfying annual projects is the Honor Roll, a year-end special edition that recognizes the contributions of Canadians. Among the 155 honorees during the 12 years of the project, there have been firefighters and Olympic champions, people who ran food kitchens and CEOs of mighty corporations, artists and athletes. Last



Apoke Milagros, Keshayne talent

week, Maclean's saluted the 1996 and 1997 recipients at a reception. Later, the special guests compared notes. Before trying to recruit the daughter of artist Mary Pratt to his cause, Craig Keshayne, the 15-year-old crusader against child labor abuse, discussed book publishing with Joyce Kilgus, who battled the system for a quarter century to free her son, David, from a wrongful murder conviction. Author Anne Michaels, just returned from readings in Australia, chatted with actors William Hurt and Marlee Matlin. For guests and hosts, it was a night to remember—and a poignant reminder of the talent and dedication to excellence that makes Canada such a special place.



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Soldiers from CFB Petawawa: Canada's trust—and potential

## There's no life like it

I have just read your heart-breaking cover story about the increasingly difficult problem for lower ranks to earn enough in the Canadian Forces to support their families ("Fighting mad," April 10). As you reported, this is compounded by poor prospects for promotion, constant rumors of more downsizing, unwanted postings or increases in private sector careers (next). I believe it took a great deal of courage for the men and women in your report to give testimony about the dire circumstances they live and work in. That the concerns of the rank and file have not been addressed in a very sad commentary about the state of affairs in the military. I think the stigma of the Canadian Forces should be changed from "There's no life like it" to "There's no life in it."

Burnaby Officer Roberto Archibald, Burnaby

Recently, I have been mulling over the idea of joining the military to obtain an education and possibly pursue a career after leaving your article, this option has been put on the back burner. As a young person trying to decide what to do with my life, I know that I cannot be a part of an organization that treats its workers with such lack of respect.

## LETTERS TO THE EDITOR

should be addressed to:  
Mailers Magazine Letters  
777 Bay St., Toronto, Ont. M5W 1A7  
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If I were to lead these men, how could I expect them to give 100 per cent to their jobs when I know that they have to get side jobs just to put food on the table?

Eric Desher,  
Mississauga, Ont.

During several dear years as a reservist, I realize that our armed forces personnel are underpaid for the job that they do. Nonetheless, I must say that I would be more than happy to change places with a private earning \$38,000 plus when you consider the benefits that he will receive upon retirement. I currently work in the dairy industry in New Brunswick at \$34,500 per year. When I retire at age 65, I will receive a gold watch and a thank-you.

The armed forces private will retire at 55 or possibly earlier with a full military pension and benefits. In short, my response to the babies in the Forces is "Boo-hoo." Get a life.

G. A. Penetente,  
Saskatoon, N.S.

As a serving enlisted member of the armed forces, I was appalled to see the truth reach the people of Canada. The struggles at the families in your article are nothing new to the military—living from pay to pay and trying to raise the standard of living of our children with a salary that, according to the Canadian government, lies on the poverty line as in small first. But it is important for the people of Canada to know that we will continue to serve them to the best of our abilities, as we did in Quebec and Manitoba.

Col. Dan Cropley,  
Cold Lake, Alta.

As both a future officer in the Canadian Forces and a former reservist, I would like to applaud your coverage of the problems faced by junior officers and noncommissioned members. The men and women of the Canadian Forces put their lives on the line. It's about time that government started looking after them.

Robert Holmes,  
Regina, Sask.

Canada's military has for years endured substandard or even non-existent equipment, but it always had its spirit. Today, that spirit appears to be crumbling in the wake of the Somalia incident et al. To blame senior

brims and politicians strikes me as a collective passing of the buck. We are all to blame. Unlike the education and health-care cutbacks that many Canadians are acutely aware of and vocal about, the military has for decades suffered from at best ignorance and at worst sympathy from the very officials it so nobly serves. I can only surmise that this is a result of the fact that, most of the time, the military fails to borrow lands that most Canadians believe had no home of and, to be fair, probably care little about. Only when needed in their own backyard is the military accorded some level of public recognition. To conclude, it was with as much as I read your article "Fighting mad," I applied to and was accepted by Royal Military College in 1985. Two weeks before being sworn in, an army medical review board withdrew the offer. In retrospect, that may have been the best day of my life.

Philip Brown,  
Toronto

Your story brought tears to my eyes. At long last, the Canadian public will learn of the special plight of the men and women in uniform. The very fact, however, that a national magazine felt compelled to champion our rank and file speaks volumes about the state of our generalship and underscores the need for an inspector general.

Col. Michel Dugrenet (ret.),  
Ottawa, Ont.

I served in the military regular force from 1985 to 1991 at CFB Coligny. My last year there, I made \$35,000. The average income per Canadian is \$34,000 and some people in your stories are making \$30,000 to \$38,000 a year and going to food banks.

## OVERFLOW

The "Fighting mad" cover package (April 13), detailing squalid living conditions in the military, clearly touched a nerve. Dozens upon dozens of letters and e-mails to the editor offer personal accounts of scraping by in the military. The mail comes not only from Forces members and veterans, but from others who, like Glen Evans of Delta, B.C., think Ottawa's treatment of the men and women the country relies on in emergencies at home and abroad is "an absolute disgrace."



Their problem is not that they make too little—though I do agree they tend to pay more. The problem is that their waste exceeds their needs. My wife doesn't work, we have four wonderful children and we live on \$30,000 to \$40,000 a year. No bills, no credit cards and definitely no food banks.

John Wiering  
Oakville, Ont.

## The Road Ahead

### In praise of multicultural diversity

As the 1996 census shows, the cultural mosaic of Canada has grown from two main strains—English and French—into a fabric of many hues and colors. In particular, the Greater Toronto Area has experienced dramatic changes in its demographics in the past two decades. Today, people from more than 100 countries speaking 80 languages live there, thanks to waves after waves of immigrants who settled that beautiful and vibrant city and surrounding municipalities.

The major drive for this phenomenon came with former prime minister Pierre Trudeau's introduction of multiculturalism to Canada in the 1970s, opening the nation's doors to immigrants from across the globe. People from many countries headed the call. They came, they saw, they were seen, and they were "conquered"—by the beauty of the land of the maple leaf. They laid down roots, seized upon the opportunities that were offered them, and created or enhanced opportunities for others in return.

My parents, my sister and I have benefited from the enhanced immigration opportunities and become integrated into Canada's multicultural and diverse society. In my view, multiculturalism formalizes diversity, whereas diversity grows multiculturalism in expression in society.

The multiculturalism theme social order comprises overlapping sectors that enthusiastically and intergenerally interact to the benefit of one another. To assure that diversity will continue to flourish in Canada, Ottawa should:

- entrench multiculturalism into law,
  - abandon plans to require immigrants to be proficient in French or English,
  - strengthen legislation to slow the spread of hatred against new immigrants including the use of the Internet for hate-mongering,
  - publicize the contributions of new Canadians to our economy.
- To safeguard diversity is to safeguard the interests of all Canadians.

*The Road Ahead invites readers to advance specific initiatives in Canada's political, social and economic profiles. Detailed submissions may not be reviewed in regular letters or appear in an abbreviated, abridged form.*

Michael F. Choi,  
Toronto

Mr. Englewood is "not necessarily guilty of fraud and theft." Fact: He pleaded guilty six times to criminal charges in two countries: Israel and the U.S. Federal mail fraud charges. Mr. Englewood's plea to "are misstatements." Fact: Mr. Englewood's crimes were not without victims. Mr. Englewood led to hundreds of NHL hockey players and their families by saying on March 13, 1988, letter sent to all players, "Neither I, nor any member of my family, nor any company with which I am associated, has ever received money directly or indirectly from any international hockey event." The suggestion of illegitimacy is without foundation and

is insulting, a letter that betrayed them in the sport itself. This is a man who received career-ending disability insurance because players and their families when they heard that Mr. Englewood was involved in the International and Olympic Committee Association to charge Mr. Englewood in the United States "for a form of legalized extortion." Fact: IOC laws enable U.S. authorities to extradite crooks such as Englewood. It would have cost him far less money had he accepted the jurisdiction of the U.S. court and stood trial. *Amel Englewood* "He was not Mr. Englewood, he would already be out on a temporary absence program." Fact: He was

## Athletic cheers

I was pleased with the issues raised in "Fighting for more coverage," about female beach volleyball players and their slinky uniforms (Huron News, April 13). But I am prompted to write by the statement from Mary McGregor, executive director of the Canadian Association for Women and Sport and Physical Activity, that "they aren't cheerleaders." I have been involved with cheerleading for three years and I challenge anyone who claims that cheerleaders are not a sport to spend a week with any competitive squad and see if they could keep up.

Cheryl MacInnes,  
Dartmouth, N.S.

## Dying breeds?

As Allan Fotheringham, well known, all the great political pundits have gone the way of all the great columnists ("Where have all the political gurus gone?" April 6).

John Wiering,  
Oakville

## 'Poor Al' propaganda

After reading Barbara Aron's misleading column ("The unwelcome arrival of Alan Englewood," March 30), I would be remiss if, after nearly eight years of unwelcome guests, I did not address her attempted rehabilitation of this thief, Aron's fiction,

Barbara Aron Editorial, Jeffrey White Smith

General Editor, Jeff Smith

Senior Editor, Jeff Smith

Senior Editor, Jeff Smith

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## INTRODUCING THE 95.

If you can't fly the Saab 95, you can't fly the Saab 95. Origen lighter, we recommend the new Saab 95 sports sedan. First, the 95 looks some of the Swedish jet's offensive punch: scissor-like doors, chrome, etc. Instead, we've armed it with a vast array of safety features: side-impact air bags, front and rear crumple zones, steel roll-over and the world's first front seat active head restraint system designed to help reduce neck injury in the event of a rear-end collision. On the performance side, Auto Express magazine offered this opinion, "the new Saab 95 is what it takes to give the

Audi A6 and BMW 5 Series a hard time." Such praise was no doubt in part due to a degree of road handling that Motor Trend described as "more-sharp in corners." But there was something else that moved them, sheer power. Every 95 is turbocharged. The standard 2.3 litre engine produces 170 hp at 5500 rpm, and generates 207 ft.-lb. of torque at 1800 rpm. Also available is the world's first asymmetrical turbocharged engine in the form of the 2.0 litre V6. Both engines develop high torque at astonishingly low rpm's. In plain speak, it's like "tagging the a barometer."

**SAAB**

THE NEW 95

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Publisher: Dan Sager

# Healthy Bites

## A new look at heart disease risk factors



When it comes to heart disease, what a million from your diet (fruits and vegetables) may be of utmost importance.

Only a fraction of coronary heart disease cases can be explained by known risk factors such as high blood pressure, smoking, diabetes, inactivity, obesity and high blood cholesterol. For example, most people with heart disease have normal blood cholesterol levels. Clearly, other critical risk factors remain to be found. One likely candidate is too much homocysteine in the blood. A new study involving nine European countries has revealed that excessive plasma homocysteine is as heart-harmful as smoking. Fortunately, folate, a B vitamin, can substantially reduce elevated homocysteine levels, decreasing the risk. So, a balanced diet that includes lots of folate-rich foods — green vegetables, orange fruits and vegetables, dry beans (legumes) and liver — is a very good idea.

## Golf — a matter of course

Research from a New Hampshire Heart Institute study show that playing golf without a cart can help lose weight and reduce blood cholesterol levels. Walking an 18-hole course (about 8 km) burns an estimated 500 calories, carrying your golf bag burns about 100 more. And, coming news! You burn even more calories if you play a bad game.

From the Dairy Bureau of Canada

## Thinking about sparking up the barbie?



Beware: Nasty bugs like *Salmonella* or *E. coli* may be lurking in raw or insufficiently cooked poultry, meat and fish. And these can be transferred to fresh foods (or back to cooked ones!) via contaminated knives, utensils, plates, cutting boards, etc. Interestingly, animal studies in the Netherlands have shown that the calcium in milk products helps prevent *Salmonella* from growing in the digestive tract and spreading throughout the body. So that well-known champion of wrong teeth and bones might also be the gut's best friend. How about a yogurt-based sauce with that brochette?

## Skip ropes, not breakfast

No time for breakfast? Just a quick dash-and-coffee? Not as ideal day-starter by anyone's standards. Everyone's heard that breakfast is the most important meal of the day, but it must be nutritious and include foods from at least three of the four food groups. Some suggestions:

- Whole wheat-waffles topped with yogurt and fruit
- Cereal with milk and sliced banana or strawberries
- Yogurt, cereal bar and juice\*
- Toasted bagel with ricotta or quark cheese, fruit, jam, and juice\*
- Peanut butter and banana sandwich with milk\*

\*can be eaten on route to work

## THE MAIL

not Alex Eades with his misanthropic jags about the judicial system—and some of the media—with "Poor Al" accusations, he'll be living years of hell time. People like Barbara Ankel who keep making excuses for Eades just don't get it. This crook suckered an entire country and he finally got caught.

Ben Conway  
Sports Editor, The Eagle Tribune  
Lawrence, Mass.

## Athlete of the year

Perhaps you believe Colorado Rockies baseball player Larry Walker to be "The regular guy" (Sports, April 13), and I will not disagree if the definition of regular guy includes "more loser." His statement that he "got beat by a machine" in placing second to Jacques Villeneuve for Canadian Athlete of the Year is unconvincing and insulting. The media drive drivers are superb athletes who train extremely hard in preparation for the racing season, but the intelligence of the driver is of equal importance to their ability to perform. Can the same be said for a baseball player and his bat?

Steven Pelton  
Pittsford

## Trudeaumania

Although I laughed at the somewhat contempt and predictable so-called Gen X attitude in your article, I must tell you I also grinned at the lack of respect for one of Canada's last true political personalities ("Pierre who?" Cover, April 6). I was born in the mid-60s and, yes, I am at first ridiculed by the coarser "nostalgia" from the generations before me. However, when it comes to Trudeau, somehow I understand a willingness to take a moment and celebrate a true leader like was a true statesman. Not all Gen Xers are of the belief that Trudeau was around so long that he was "just like a piece of furniture." He's accompanied me to be proud of being a Canadian.

Don Elliot  
Toronto

I guess I'm not a true Gen Xer. Although I didn't understand everything about Canadian politics in the Trudeau era while growing up, I do have a deep appreciation for what the attempt at a Just Society meant. It is just because of media nostalgia that I do remember an entirely different stronghold of neocolonial capitalism in the 1970s. Our teachers and parents told us that a Just Society was possible—that justice and equality could prevail over corruption and poverty, that people's interests could supercede those of authoritarian states and corpo-

rations—not only in Canada but around the world. With the arrival of the smooth-talking Brian Mulroney, we quickly saw the demise of the Just Society. I am not saying Trudeau is a lost cause who could do as wrong. However, if we look at the leaders we have now, and respect their sense of social justice and vision of Canada's role in the world, maybe we should get a little retrospective and nostalgia and see what the past has to tell us.

Jon Burdett  
New Westminster & C

Your criticism Pierre Trudeau gave me great pleasure by reminding me of something I take great pride in—and I never said any word for this man or his party while he was prime minister. They received my condemnation that he was a legend in his own mind.

Patricia Spence  
Nelson, BC

## Students and teachers

In "Student negotiators" (Education Notes, April 13), you say Memorial University is "following Jewish University's example" and giving the student body a seat on the administrator's negotiating table during the next faculty contract talks. This implies that our "best" as negotiators was on the administration's side. In fact, the student union

came up with the idea, approached both parties and there was an agreement that under certain protocols, the student union president could be a nonparticipating observer. This is a method by which students can see that their interests are protected and not be forced to side with one party. The situation at Memorial seems to me like an attempt by president Aron May to have the students side with the board by default, instead of allowing them to put their education to use and make up their own minds.

Paul Black  
President, Acadia Students' Union,  
Halifax, NS

In response to "Tired-around teachers," there is nothing new in education. Tired teachers in classrooms have been doing it other universities before Queen's. I graduated from the professional development program at Simon Fraser University in 1987.

This three-semester teacher training program started with us spending two months in a classroom with three other student teachers, and two months on campus. The second semester was spent in a classroom for four months, and then the third semester was spent on campus taking courses. At that time, it was truly a "revolutionary idea" to give us "on-the-job, on-the-road training."

Sherry M.A.  
Quebec City, QC

## Fathers in the House

Your obituary of Rev. Bob Ogilvie (Phonics, April 13) states that he was the first Roman Catholic priest to be elected as an MP. That distinction actually belongs to Father Andy Haynes, who was elected MP for Cape Breton East, Bedford, N.S., in 1974. Like Father Ogilvie, who was elected in 1979, he was an NDP member. After serving two terms, he was defeated in the 1980 election. Thus he did not face Father Ogilvie's dilemma of having to decide in 1984 whether to run again for Parliament, or obey the Vatican's ban against priests in politics.

Jim Newman  
Sethelton, Ont.

## GREAT CANADIANS

For the July 1 issue, Maclean's is preparing a list of the 100 Most Important Canadians in History. We invite readers to submit nominations in the following 10 categories: Human Builders, Thinkers and Writers, Entrepreneurs, Artists, Discoverers, Activists, Characters, Stars, Heroes, Scientists. The project is being organized by Maclean's by the noted historian J. L. Granatstein. Nominations can be sent by mail, fax or e-mail (addresses on page 4), or be posted at Maclean's Online ([www.macleans.ca](http://www.macleans.ca)).

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COLUMBIA



## Barbara Amiel

### Yes to human rights; No to the commissions

**I** wish I could proudly state that I am homosexual. Because no matter how I strain to make my point in this column, which is about the recent Supreme Court of Canada decision rejecting Alberta's human rights legislation, I will be accused of homophobia. Truth is, I am as far from being homophobic as I am from being made of green cheese.

I hold none, if not all, of the values that the various human rights commissions would oblige me to hold. I would employ, house or, dare I say it, service an African-Canadian, Hindu homosexual, you name it, as a matter of course. I also believe that people who would not do so on these grounds are bigoted or stupid.

But I believe that to be bigoted is also a human right. The Supreme Court has ruled that the Alberta human rights code, which did not include sexual orientation, must now include it. This means, for example, that if a religious or hotel in Alberta—or anywhere in Canada—decides that all its professions must share the views of some Christians that homosexuality is an abomination, it will no longer be free to hire only those teachers who practice this view.

What is one to say about this? My conclusion is straightforward. Some 25 years ago, I started fighting all human rights legislation. I wanted to prevent one set of people facing their values on another. The reasons for my fight are based on the very concept of a liberal society. The key point is that a free society is one in which (a) the state is prevented from making laws that discriminate against certain citizens whether on the basis of class, race, gender, religion, ethnicity, sexual orientation and so on, and (b) the state is prevented from forcing individuals to accept certain values in their private lives—such as what standards they must use in deciding who they employ, house or prosecute.

Even when the state shares my views, namely that I would not dream of refusing people a job because of their ancestry or religion, or sexual orientation, I shudder when I see my values set down as binding facts on other people.

Once again the state to legislate in this area, you have absolutely no assurance the state will legislate only those values on which there is a social consensus. These days, it is pressure group politics all the way. The state could easily force anti-discrimination legislation that might deeply offend very legitimate religious values or, indeed, force the ambitions on us all of certain pressure groups like the anti-sect activities who may decide that it ought to be a human right to live in a sex-free environment.

As colored before, the equality provisions of our Constitution are a sick joke and serve only to eliminate how special interest groups already control human rights legislation. Equal treatment as very rarely extended to men, for example. A woman is allowed to have an

abortion for convenience without reference to the father's rights, even if the father is prepared financially to support and bring up the child. I'm certainly against the idea of any man being able to force a woman to have an abortion, but if a woman is allowed to eliminate her fetus for convenience, a man should at least be allowed to opt out of his financial responsibilities if they are unconscionable to him. Where is the logic and fairness in this?

We are losing sight of what liberalism is all about. It is surely based on the notion that we must fight to preserve other people's choices and values in their private spheres, regardless of whether they coincide with our notions. When I fight for the values of a fundamentalist Baptist, it is not because my values coincide in the slightest with his. It is a sort of selfishness—I know that in any society where someone whose values I do not share are threatened, my own values may one day be threatened.

**We must preserve other people's values in their private spheres, regardless of whether they coincide with ours**

Among the questions often asked about my stance are how can you talk about housing and employment as private spheres that should be free from government interference? Surely they are public spheres? The very question shows how far we have come along the road to statism. Take this approach and you can easily argue that there is a public interest in everything an individual does. A society certainly has the right to decide what it regards as public and private spheres, but that decision will determine precisely the sort of society it is. We have no assurance that it is accurate that it is wrong to discriminate in hiring on racial grounds, the state will not tell us next that we can't discriminate on grounds of age or appearance. I prefer executive assistants who are female and over 45 years of age.

Most I now be forced to have women under 30? How can I subordinate my values for people who would prefer to work with Catholics or nuns? By now we are committed to the liberal society that we unconsciously use existing restrictions of the state to justify further restrictions.

Another issue: if you have no human rights legislation, won't women, blacks, Jews and other groups that themselves pushed to the bottom of the heap? This is a chicken and egg question. I would say that the acceptance of laws forbidding discrimination against women or homosexuals would never have come about before the social or the race was ready to accept them anyway—otherwise the law would have organized a tyranny to work.

Even as I write this, I know I will be labelled racist, racist and possibly fascist by that small group of activists who, like death/death, don't want to understand. They are the enemy to us all and yet, like good liberals, we must take to the barricades and defend their right to opinions we do not hold. But I will not hold my breath, as the epithets are hurled, for support for my rights from any human rights commission.



# Opening Notes

Edited by TANYA DAVIES

## Samba, rumba and gold

To most people, it is strictly ballroom. But to many of its nine million adherents around the world, it is "dance sport" and deserves to be an Olympic event. DanceSport—essentially competitive ballroom dancing—was accepted as a full member by the International Olympic Committee last autumn. But before it can be included in the Summer Games, organizers must convince the IOC that it meets standards on issues such as doping control. As a result, dancers are unlikely to win Olympic medals until the 2008 Games. Still, more than 80 couples who competed at the Canadian closed amateur (non-professional) Vancouver's Hynes Convention Hotel, an Eastern weekend, in standard (waltz, foxtrot and tango) and Latin (salsa, rumba, mambo and cha-cha) dance categories, needed only the music to rev up their competitive instincts.

Advocates say ballroom dancing, which has 800,000 practitioners in Canada, is as physically demanding in running an 800m race. But not all dancers agree that their pastime should sit Olympic stumps. "I don't know if we need another subjective sport in the Olympics," says So-Mi Choe, 36, of Burnaby, B.C., who with her husband, Charlie Hunter, 38, won the senior (35 and up) Latin &



Robert Tang and Beverly Gayle-Tang, Canadian amateur standard champions, at physically demanding as running an 800m race

American category Choe, who captured her title just five months after giving birth to her son, adds that dancers often live non-athletic lifestyles, such as luxuriating. Canadian Amateur DanceSport Association president Jim Fraser rejects the charge, insisting: "The judging can be almost as objective as mathematics." Or like football?

## Courtney mourns Auf der Maur

In a life of 55 years that included incarnations as a Montreal city councillor, newspaper columnist and all-round bon vivant, Nick Auf der Maur struck up thousands of friendships that was evident last week when close to 3,000 people—ranging from former Montreal amateurs Pierre Bourque and Jose Davis—attended Auf der Maur's funeral at Montebello St. Patrick's Basilica following his death on April 7 from cancer. The recent surprise guest was Courtney Love, famous lead singer of the band Hole and widow of Kurt Cobain, former front man of the band Nirvana, who committed suicide in 1994.

Love, 33, arrived quietly, surrounded by three bodyguards, and spoke to few people. She and Auf der Maur met through his daughter, Melissa, 26, Hole's bassist, and



Love, pale with a Montreal August

immediately became fast friends. Several years ago, he went on tour with the band, and later travelled at the members' by-then-plain lifestyle. "There I was looking for someone to do tequila shots with," Auf der Maur told friends. "And they were all on soda water." Love left immediately after the funeral—and before a jazz band had mourners to Orchestre Soud, where Auf der Maur liked to hang out. There was a noisy wake, despite the fact that two wild characters weren't there to spice up the revelry.

## Rehabilitating Riel

It is too late to cut the rope. But some federal politicians are seeking to reverse the tradition connection that led to Nelson leader Louis Riel's hanging 112 years ago. A draft bill by Liberal backbenchers Roy Alcock of Winnipeg and Dennis Cochrane of Montreal, along with Alberta Senator Thomas Chabot, would also name a day in Riel's honor and recognize him as the founder of Manitoba. The bill will be formally introduced in the House of Commons in May.

Some Canadians balk at the idea Alcock says he has received a few letters "questioning my honor" from people convinced the leader was a traitor. But he believes most citizens now realize Riel was unfairly treated. He cites an article in the February issue of Canadian Lawyer in which Winnipeg lawyer Ronald Olney says archival material to show that Manitoba Chief Justice Lewis Wallace gave the government provincial legal advice, then went on to hear Riel's appeal. That was beyond the law even by 1880s standards, writes Olney. The Riel bill will not erase all record of the trial, Alcock admits. But it is a gesture, it will officially remove the stain of treason.



## Dr. Foth's wedded bliss

No one imagined that Dr. Foth would ever be in love again. The renowned lover of women, whose first marriage ended in 1989, seemed destined for lifelong bachelorhood. But following a Valentine's Day proposal, Foth's new wife, Dr. Foth, 65, tied the knot with Toronto art dealer Anne Libby, 40. Assembled friends learned of the April 11 ceremony in Bernadine from an



Afterthoughts, Libby surprises

announcement posted by the bride. "It took him three years to propose," she writes. "[I] was not going to wait three years for a wedding." The nuptial party included other vacationers, with Dick Corrie, president of Leblon, as best man. Now, the biggest challenge for Libby is asking Fotheringham's Toronto dentist, "Look how like his sisterly boss." She is also working her husband's notorious "wall of shame," a collection of photos of the women in his life, to his office. The demise of a ladies' man.

## A Hull-D.C. party

Both Hull, Que., and Washington are celebrating bicentennials in the year 2000, and Yves Vidon wants the two cities to have a bilateral ball. In January, Vidon, an independent public affairs adviser in Hull, approached the Nation's Capital Bicentennial Celebration committee in Washington with his proposal. The American organizers said yes, and test-tube plans include a possible B&W film, embracing work-long events, and a commemorative stamp set to honor the occasion. Betty Jean Johnson Gerber, president of the U.S. celebration team, compares

Hull—a city of 68,000 people just across the Ottawa River from Ottawa—to Georgetown, a Washington neighborhood that became part of D.C. in 1801. "It's important to celebrate how great capitals emerge," she says, adding: "The story of Hull is fascinating." Ottawa would never have been selected as Canada's capital in 1857. Vidon argues, if Hull's booming border town had not built up the area's infrastructure, its design firm and its own work. Prime Minister Jean Chrétien to help finance the celebration. And he is confident that his dream to have Canada's capital officially expanded to include Hull will come to pass.

## BEST-SELLERS

- FICITION**
1. *Pardon My French* (12)
  2. *The Secret Garden* (12)
  3. *Prayers for the Dying* (12)
  4. *Girl on the Train* (12)
  5. *Secrets of a Great Woman* (12)
  6. *Secrets of a Great Woman* (12)
  7. *Secrets of a Great Woman* (12)
  8. *Secrets of a Great Woman* (12)
  9. *Secrets of a Great Woman* (12)
  10. *Secrets of a Great Woman* (12)
- NONFICTION**
1. *The Last of the Mohicans* (12)
  2. *The Last of the Mohicans* (12)
  3. *The Last of the Mohicans* (12)
  4. *The Last of the Mohicans* (12)
  5. *The Last of the Mohicans* (12)
  6. *The Last of the Mohicans* (12)
  7. *The Last of the Mohicans* (12)
  8. *The Last of the Mohicans* (12)
  9. *The Last of the Mohicans* (12)
  10. *The Last of the Mohicans* (12)

## Much about More

The new book by award-winning biographer and novelist Peter Ackroyd offers a revealing look at the historical figure dubbed by Churchill as "a man for all seasons." The Life of Thomas More tells the story of the Last Chancellor who was beheaded in 1535 for refusing to accept King Henry VIII as head of the Church of England.

## POP MOVIES

### A starry Miserables



Director Billie Allright's new film, *Miserables*, is a star-studded affair. It features the talents of Victor Hugo's (Les Misérables) is a star-studded affair.

When the hero, Jack Weller, returns to France as a convict, he is welcomed by his family.

The movie is a comedy, based on the novel by Victor Hugo.

- | City of Angels (12)           | \$1,000,000 |
|-------------------------------|-------------|
| Thelma (12)                   | \$1,000,000 |
| Love in the Moonlight (12)    | \$1,000,000 |
| Secrets of a Great Woman (12) | \$1,000,000 |
| My Heart (12)                 | \$1,000,000 |
| Secrets of a Great Woman (12) | \$1,000,000 |
| Secrets of a Great Woman (12) | \$1,000,000 |
| Secrets of a Great Woman (12) | \$1,000,000 |
| Secrets of a Great Woman (12) | \$1,000,000 |
| Secrets of a Great Woman (12) | \$1,000,000 |

# Passages



**DIED:** Former colonial and poet Robert Ford, 83, of a heart attack, at his home in Vichy, France. The Ottawa native joined the department of external affairs in 1940. His last ambassadorship was to Colombia in 1957. That was followed by Yugoslavia, Egypt, and 20 years as the ambassador to the former Soviet Union. Ford was also a respected writer who wrote a number of books. He was awarded the Governor General's Award for literature in 1958. He retired from diplomatic service in 1983 and moved to France.

**DIED:** The world's oldest person, Marie Louise Mueller, 112, from a blood clot in her leg, in Corbiel, Ont. Noelle, a native of rural Quebec, was recognized last August by the Guinness Book of World Records as being the oldest person in the world.

**DIED:** Former police officer and Liberal MP Carlo Rizzo, 72, in Montreal. After serving 30 years with the Montreal police, he was elected in the riding of Bourque in 1979, serving until he was defeated in 1988.

**AWARDED:** The 1998 Stephen Leacock Award for Humour to Michael Hoffer, 67, for his book, *Barney's Humor*, in Toronto. Past winners of the Leacock Award, established in 1947, include Robertson Davies, Pierre Berton, Farley Mowat and W. O. Mitchell.

**DENIED:** An application by financier Leonard Gray, 72, before the Supreme Court of Canada to appeal his 1992 fraud and theft conviction and 2½-year prison sentence, as Ottawa, Gray, the younger brother of Deputy Prime Minister Herb Gray, was convicted for misusing a 1985 loan from the Ontario government worth \$2.6 million. The money was supposed to help build a computer-chip manufacturing plant.

**AWARDED:** The 1998 Pulitzer Prize for fiction, to New York City-based Philip Roth, 65, for his novel, *American Pastoral*, in New York City.

# Boom, bust and housing

COVER

BY JOHN SCHOFIELD

**C**algary realtor Rudy Spiess has some sage advice for prospective buyers these days: remember your checkbook. In the country's hottest markets, hungry buyers are prowling the streets in search of real estate, and forebudders or flipflopers need not apply. In extreme cases, says Spiess, the race to purchase has given way to a whole new phenomenon—drive-by buying. One client, interested in purchasing a property, cruised past a \$106,000 bungalow recently, then made an unconditional offer on the spot—and bought it. Other buyers prefer the luxury of a little more time—at least a few hours. But those who wait longer often end up on the losing side of a deal. "We're having to educate our buyers," says Spiess. "We tell them, 'If you see something you like, you have to act. You can't sleep on it.'"

Housing is hot. Across Canada, in almost every major city, healthy local economies, spiralling consumer confidence and low mortgage rates are fueling strong demand for new and existing homes. One of the most striking exceptions is Vancouver, where the property market is deflated (page 19). The boom is creating shortages of resale homes in some markets, pushing up prices and sparking bidding wars. While resale values remain below last year's numbers in some cities, local realtors say prices are rising in the most sought-after neighbourhoods and are expected to propel average prices upwards in the months to come. In line with seasonal trends, the supply of listings should begin to improve later this spring, but observers of the real estate scene say the overall health of the economy could keep housing prices strong for several years.

Up against a wealth of buyers and a shortage of listings in Montreal,



Angela Burns (right) talks with the McGregors: "We'll make money on this sale, that's a given."

Angela Burns and her boyfriend, Ian McGregor, spent a frustrating two months searching for their first home. This month, they finally found a \$133,000, four-bedroom house in suburban Kirkland. But one they had bid on earlier was snapped up before they could get back with a second offer. "They were going like hotcakes," says Burns, 31, a transplant co-ordinator at a Montreal hospital. "It was great for the real estate agents. They kept saying, 'We haven't seen multiple offers in years.'"

Eager buyers are also giving new home construction a boost. Housing starts across Canada last month rose 3.1 per cent over February to reach an annual rate of 162,100 units, the highest in four years. In Ontario, the pace of building is so hectic that some areas have run short of bricks. Amid the bustle, trends are emerging that promise to set the course for the housing market in the years to come. "It's very much a good news story," says Peter Normier, an economist with the Bank of Montreal. "There's just a tremendous demand for housing out there."

The economy is the key. With unemployment at an eight-year low of 8.5 per cent and inflation at a meagre one per cent, Canadians are in the mood to buy. Most of the job gains in recent months have been full-time positions, helping to boost consumer confidence to its highest point in almost nine years. "It's just a great market right now," says Ed Szymanski, a 30-year-old insurance claims representative from Oakville, Ont., who is shopping around for a house with a larger lot. Judging from recent sales on his street, Szymanski says he expects to turn a profit of about \$30,000 on the four-bedroom house he and his wife, Christine, bought for \$289,000 only last January. "We'll make money on this sale, that's a given."

Despite rising prices, buyers are encouraged by the low-end mortgage rates in 30 years. Earlier this month, Canada's big banks cut mortgage rates by up to one-fifth of a percentage point. The north-south carrying cost of a 25-year, \$100,000 mortgage at the five-year rate has dropped by more than \$250 since the beginning of

## Consumers are confident and the housing market is hot again

1995. And although the Bank of Canada may soon boost its key lending rate to prop up a sagging dollar, experts predict that mortgage rates will remain low in another year that could keep the market percolating. Canada Mortgage and Housing Corp. is touting its 95-percent financing program from first-time purchasers to all home buyers next month.

Given that Canada's economy is perpetually plagued by regional disparities, the strength of the housing market is noticeably widespread. It is even hot in Montreal, where real estate values have suffered for decades under the constant threat of separation—and, more recently, from January's devastating ice storm. Now prices for existing homes in highland districts such as Beaudouin and Notre-Dame-de-Grace have jumped by more than seven per cent since early 1997, according to a survey by Montreal-based Royal LePage Real Estate Services Ltd. Housing starts are expected to reach 11,000 units in Montreal this year—well above the 7,600 units of 1996. Like many anglophones, David O'Connor, a manager at a pharmaceutical company, and his wife, Mary-Louise, a full-time nurse, are set to move into a new house about the province's political battle, but taken the plunge. "Their concern over rising prices and the birth of daughter Meghan five months ago helped confirm their decision to buy. They paid \$137,000 recently for their first home, a split-level model in the suburb of Pierrefonds. It was the perfect opportunity," says O'Connor, 29.

Then St. John's, Nfld., where the province's formerly sluggish growth rate is expected to lead the country this year, is banking in the green. "A lot of people are coming here. No unemployment is going," says Tim Christie, president of the St. John's Real Estate Board. March housing starts across the province tripled from the month before, and resale values in some areas of St. John's have risen more than four per cent over the past year. Some markets in Atlantic Canada are even stronger. In Halifax, standard two-storey homes in the city's south end are worth \$1.8 per cent more than in early 1997, reports Royal LePage. New home sales, however, have been flat by the homogenization of the provincial sales tax with the federal GST. It did not increase the price of housing, but many consumers who feared it would rushed to buy new homes before the new tax's introduction last year—and that, in turn, dampened demand this year, says Norman.

The country's hottest market area is benefiting from the country's influx of new residents, many drawn by the promise of beautiful property. A Bank of Montreal report predicts that Calgary's population will swell by more than 30,000 this year, the majority of the newcomers under 35 and in their prime home-buying years, says Norman. "That's a huge subpopulation. If you think about it," says Spence. Beyond that, the bank sees Calgary growing by more than two per cent annually for the next six years, almost twice the national average of 1.2 per cent a year.

Calgary's explosive growth helped drive the average price of an existing home up 6.2 per cent in 1997 from the year before, and prices are expected to climb another 18 per cent in 1998. Robert

## CALGARY



Single home, 1997—\$150,000  
Cost to build—\$225,000  
Single home, 1998—\$150,000  
Cost to build—\$225,000

## TORONTO



Single home, 1997—\$150,000  
Cost to build—\$225,000  
Single home, 1998—\$150,000  
Cost to build—\$225,000

## HALIFAX



Single home, 1997—\$150,000  
Cost to build—\$225,000  
Single home, 1998—\$150,000  
Cost to build—\$225,000

construction in Alberta, Saskatchewan and Manitoba have also been pushed up made-value sales anywhere from two per cent to six per cent in parts of Edmonton, Regina and Winnipeg, according to Royal LePage. That Calgary remains the country's hottest market, with sales of existing homes expected to reach about 23,000 units this year, up from an average of 12,200 a year during the 1990s. Worker Larry Peterson, who sports the nickname "Mr. Sold," says he worked 30 to 32-hour days six days a week for much of last year. "I was spending pretty burned out," he says. As for his hopes of closing the year in 1998, "It's just been crazy busy."

The Toronto market is almost as hectic, thanks to healthy job growth, a swelling population and one of the lowest rental vacancy rates in Canada. Housing starts should reach 38,000 this year, an increase 25-percent per cent over last year, the Bank of Montreal predicts. And although sales of existing homes in 1998 are expected to dip slightly from last year's all-time high of 58,000, prices will continue to rise. As prospective sellers sit at the sidelines, antebellum supply of listings has already lifted the value of an average house 5.4 per cent since early last year to \$115,372. "It's a lot of a question mark right now which housing people



## When it rains, they leak

The condominium owners living at 650 Moberly Rd. in Vancouver had no idea anything was seriously wrong with their 11-year-old, four-storey building. There were a few leaks in the north wall, so they called in a contractor for what they thought would be tedious repairs. As he chipped away some plaster, all he found was interior rot. An engineer quickly determined the surface had not been properly laid to protect the wood underneath from the incessant Vancouver rain. The entire wall would have to be replaced. Cost: \$500,000. "From the outside, our condominium looks fine," says resident Brad Watson. "But the rot inside is like a cancer. You can just march

in and crumble the wall with your fingers."

It is cold comfort to the owners of 650 Moberly, but they are not alone in suffering from what Watson calls "an epidemic" infecting British Columbia—the leaky condo problem. The B.C. Condominium Home Owners Association estimates that repairs to buildings seriously damaged by water over the past 15 years could cost as much as \$1 billion—in the same range as the damage from the Maniwash flood and the Quebec-Ontario ice storm. Alan Myles, past president of the owners' association, estimates that 80 per cent of the buildings erected in the past 10 years have suffered some damage. In an already depressed property market in Vancouver, the water prob-

lems have made condos virtually impossible to sell. "That is a catastrophe," says Watson. "It's a horrible mess that the whole industry has to address—the regulators, the builders, the lawyers and the architects."

Now at 41, developer Dennis Derek Coleman's calls been court battles in his circles scuttled to rise magically out of building ruin. Much of it is becoming apparent that flawed designs, inexperienced workers and poor materials combined to produce many exterior surfaces that are simply incapable of repelling the ravages of a rainy climate. "No one seems to want to take responsibility," says New Grove, owner of a two-bedroom unit in a damaged building in Vancouver's False Creek neighbourhood. "And who should be blamed? The municipal inspectors? The architect who designed the building? The contractor who used shoddy materials?"

In many cases, the original contractors have long since disappeared without a trace. Going after them in the courts would be costly and, possibly, fruitless. "The money we'd spend to sue is better used to repair the building," says Watson. Saying she wants to "change the notion that British Columbia is the leaky condo province," Municipal Affairs Minister Jenny Kwan issued former premier David Johnston a letter in May 1997 asking him to make for the problem. But even if the province ultimately steps in with financial aid, owners will take time and condo owners will continue to worry. "Every time it rains," says Giese, "you wonder if there'll be another leak." The long-range forecast for Vancouver: more rain.

SEANER HUNTER in Vancouver

## HOT AND SIMMERING

Average housing prices (\$)

	1993	1994	1995	1996	1997	1998 (to April 1)
St. John's, Nfld.	92,318	92,211	95,850	94,142	92,787	94,797
Halifax, N.S.	122,540	103,481	103,011	105,969	109,827	109,827
St. John's, N.B.	85,396	79,148	82,469	82,068	86,171	82,296
Montreal	114,293	113,712	109,929	108,930	112,362	110,249
Ottawa-Gatineau	146,422	147,322	143,127	140,513	143,895	139,239
Toronto	206,400	209,522	203,028	198,190	211,307	209,827
Winnipeg	83,058	84,812	82,994	86,142	86,040	85,222
Regina	72,897	73,747	76,623	78,781	82,443	80,510
Edmonton	111,822	112,627	110,239	109,042	111,287	111,722
Calgary	133,968	133,571	132,114	134,643	143,395	143,395
Vancouver	278,758	303,535	307,747	288,288	287,094	283,812
Victoria	210,650	219,847	210,889	211,602	218,395	218,395

\*Royal LePage Survey of Canadian House Prices reports prices higher in parts of each city than in 1997

back," says resident Brent Waldman, who speculates that homeowners had had the great mid-state heat of 1996 may be making for current buyers to climb a little higher before putting in "the sale."

Apart the shortage, building values are increasingly consistent. Realtor Jenny Malley cites the case of a home in the city's busy Avenue Road and St. Clair Avenue area that attracted an astounding 14 bids, driving the price up 30 per cent to \$892,000. "If you have a property that sells at asking price or less," says Malley, "the price around the office is, 'What did you do wrong?'"

Canadian renewed passion for real estate has even hit the nation's capital, where the housing market has been cracked in recent years by massive condominium layoffs. Norman predicts that existing home sales in Ottawa will rise 0.7 per cent from 1997 to 1998 units, which would make it the best year for local markets since 1989. And according to Royal LePage, standard two-storey homes in the city's west end have jumped an average of 10 per cent from early 1997.

Charitably, many Vancouver's sluggish market should succumb to the underlying demographic trends that promise solid demand for housing in the coming years. Lewis Nakatani, president of the Ottawa-based Canadian Association of Home Builders, says the house construction business will remain healthy because housing starts during the recession of the early 1990s fell by below 180,000 a year—the so-called natural level to be expected based on population growth and other demographic factors.

The mass influx into the market of Canadians aged 30 to 38—members of so-called Generation X, born at the tail end of the baby boom—

is another reason real estate will remain buoyant for some time, says David Frost, a University of Toronto economist and author of the best-selling books *Boys, Dad and Dad*. Frost notes in the early 1990s forced many Gen Xers to put off buying a house, says Frost. As a result, the average age of first-time buyers rose to 35 last year from 32 in 1992. But the entry of Generation Xers into the market pushed the proportion of first-time buyers as high as 20 per cent early last year, and marked the beginning of real estate's revival. With prices on the rise, owners wishing to upgrade their housing now claim half the market, and are even a driving force in some cities. Half on the end of the Gen Xers are members of the baby bust generation, says Frost. Born between 1967 and 1970, baby-boomers will become a major force in the housing market starting in 2001.

Another factor fueling demand for housing in the years ahead may be the money passed on by deceased parents or relatives. An estimated \$50 billion annually in inheritances will now flow into Canadian hands over the next 20 years, up from a current rate of about \$12 billion. The numbers suggest that about 40 per cent of Canadians will benefit from bequeathed funds. Economists such as Frost argue that the increased inherited wealth will likely be socked away in mutual funds or savings bonds, having little impact on real estate. But Royal LePage says its research shows that about as per cent of those who benefit from this large transfer of wealth plan to buy a home.

In many cases parents who profited enormously from this century's prosperous years are not waiting until they die to help their struggling children into the housing market. Dale Wayne and Deven Foster, 45, John's couple in their late 30s, currently hunting for their first home—

with the help of a few thousand dollars from their parents. "Basically, the only reason we're doing it is because we had some income come our way that wasn't expected," says Wayne, a loan officer at a local branch of the Royal Bank. "Plus, rates are low, and there seems to be a lot of chances out there to get a good buy." Their idea of a dream home? For now, at least, a bungalow or modest two-story with a separate apartment to help pay the mortgage.

Both Anne King are past that stage. After 13 years in their Calgary split-level, the engineer and his wife, a teacher, want more room to accommodate their 2½-year-old daughter. In Calgary, the kind of large lot they are looking for next to a greasy area could mean spending as much as \$300,000—and a long wait for the right property to become available. "We'll find the house that fits our needs," says King, 39. "If we have to spend a little more, we'll do that."

Economists such as Post say demand for the larger three- and four-bedroom homes should remain strong over the next 10 years. Growing families, aging parents and the trend towards home offices—not to mention Canadians' characteristic love for space—should continue to drive the quest for larger living quarters. The revival in the mortgage market and the blossoming pace of renovation activity are both indicators of that demand. Home renovators generated sales estimated at \$32 billion last year (compared with \$17.6 billion for new home builders), and the long-term outlook for the industry is bullish.

While the allure of the suburbs remains strong, many Canadians are snapping shut for the convenience and culture of inner city life. In Toronto, realtors report that the hottest demand for homes is in neighborhoods closer to downtown, such as Cabbagetown, Riverdale and North York. Short-term commuters (especially appeal to two-career families. "The most precious commodity to a two-career family is time," says David Baines, executive director of the Urban Futures Institute, a Vancouver-based research group. "They will pay a lot more money today than don't have to drive the freeway every day." Vancouver's biggest realtor, what Baines calls "ground-oriented" homes—ones opening onto a yard—have been up for smaller, only maintenance-intensive lots.

Over the next 15 to 20 years, that trend could bring the demand for traditional, large-lot suburban housing and change the face of inner-city neighborhoods. A so-called decentralization of some Canadian cities and suburbs is also being driven by developer-looking to cut land costs, and municipal planners aiming to improve the efficiency of public transit and to encourage "in-City" living cities," says Dennis Lortie, research director for the Urban Development Institute, a Vancouver-based group funded by the development industry. "We're seeing an increasingly widespread transformation where new buildings are being built around old ones and old ones are being adapted for new uses."

That trend is blemishing also a transformation in the building business itself. The market is fragmenting, and home construction is in-

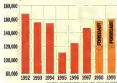
creasingly becoming a boutique industry that demands creative financing, says Lortie. "It's almost a cliché to talk about niche markets, but that's in fact very much the case," he says. "There really isn't one single housing market any more. There's an incredible range of supply and demand." Developers targeting people in their 30s are building studio condominiums. For middle-income buyers, there are wide lot detached homes in so-called New Urbanist neighborhoods that hark back to the 1930s or '50s. To appeal to "mature" buyers in their 50s, other builders are offering easy-to-maintain luxury bungalows with high-quality materials and state-of-the-art amenities, such as remote-controlled security systems and built-in entertainment units. Still others are offering very high-end condominium developments with units priced anywhere from \$400,000 to \$2 million (page 38).

That selection will only increase as the population ages and new trends emerge. Already, for instance, there appears to be a gradually growing move-down market—homeowners opting for smaller bungalows. Over the next two decades, says Baines, the move-down market will be made up increasingly of so-called equity recipients. In search of additional income and a quieter lifestyle, the retirees will sell high-priced city homes and buy cheaper—but not necessarily smaller—houses in similar communities. The phenomenon, he predicts, will spur the growth of real-estate markets in small town Canada.

While demand for real estate is strong, no one is forecasting the end of the frenzied boom that gripped some of the country's largest cities in the 1980s. The skyrocket-

## BUILDERS AT WORK

Housing starts in Canada



SOURCE: CANADIAN HOUSE AND MORTGAGE SURVEY



House construction in Toronto amid the shortage, building wars are increasingly common

ing process that characterized the period were driven by the entry of older boomers into the market and the rapid rise in two-career households, phenomena that will never be repeated on the same scale, demographers say. Still, it is as a cardstock rule of real estate that cycles come and go, and investors are wise not to get carried away. The trends and turns may be less severe in the years ahead, but that is certainly more probable, says Alan Silverman, a Toronto real estate lawyer and author. "When things go on wild gyrations," he notes, "there are really no winners in the long run." But for now, at least, potential buyers might want to keep their checkbooks handy.

With JENNIFER HUNTER in Vancouver and DENISE DAVENPORT in Montreal

# When the bubble pops

► For sale: New house in exclusive Shaughnessy district. Swimming pool, six bedrooms with en-suite bathrooms. \$4.28 million. Has been on the market 62 weeks.

► For sale: Point Grey four-bedroom house with spectacular view of English Bay and mountains. Renovated 1982. \$3.9 million. On the market 48 weeks.

► For sale: Three-bedroom house on 65-foot lot in choice South Granville. \$1.03 million. On the market 69 weeks.

Those and more than 400 houses like the one are catalogued in the Multiple Listing Service book at the Real Estate Board of Greater Vancouver. All million-dollar-plus, all in the prestigious west side of Vancouver. Four years ago, they would have sold within days, it is worth noting. Now they languish on Vancouver's deflated property market. Prices in some neighborhoods have fallen by 30 per cent over the past year. In March, usually the busiest sales month, only 35 west-side detached properties changed hands—one of an inventory of 1,600 Vancouver's housing boom has faded. "My neighbor is the best indicator of how the market has changed," says real estate agent Albi Brown. "I don't need to look at graphs or charts. Two years ago, I was getting 60 calls a day. Then a year and a half ago, it started to drop off and I know we were in for a bit of a fall." Now, she gets 20 calls a day.

And the slump isn't restricted to the present homes. Janet Douglas and her husband, Eric Wallace, want to sell their two-story, three-bedroom house on the periphery of the desirable Kerrisdale neighborhood. At \$499,000, the house is a bargain by past Vancouver standards. But it has been on the market since August. "We've had a lot of people looking at the house," says real estate agent Cecile LeBlond. "We've had many offers, but none that we could accept." Douglas and Wallace did sell the house—for close to their \$549,000 asking price, in just three days. But they pulled the plug on the deal and took the house off the market when they were unable to find a suitable, affordable place for the same neighborhood. "We can't figure out why this house isn't selling now," says Douglas. "Is it the headlines saying we're selling a recession? Or are people waiting for the market to continue to decrease?"

In fact, Vancouver's real estate will always be relatively pricey because land is scarce in a city perched in by mountains and ocean. At \$183,313, the average sale price last year still exceeds the level of the year ago, and it is well above the \$100,376 of 1988. But the special bubble that sent property values soaring in the early 1980s—an increasing population, a healthy economy, low unemployment and Asian investment—are waning. In 1982, per-



Douglas (left), Lathorne, tried since August without success

## Why listings are lingering in Vancouver

gentist to British Columbia from other provinces was 40,000. By 1991, movement from other parts of Canada dropped to a net of 7,000 people, and economists expect the trend to continue.

At the same time, there is less Asian money in search of a Vancouver property haven since the leadership of Hong Kong to China last July and the more recent meltdowns of several Asian economies. Among other factors at play, says real estate agent Rosanne Tobin, is Ottawa's proposal to require Canadian residents to disclose their foreign assets—a prospect that alarms some wealthy Asians. "It has created an atmosphere of mistrust," Tobin says.

In the resulting vacuum, the real estate business is experimenting with innovative ways to move properties. Agent Maureen La Menné has purchased a house swap in Shaughnessy. One family had been trying for eight months to sell a seven-bedroom, 765-square-metre home for \$2.3 million, and wanted to downsize. The second family had been trying for two months to move into something larger than their three-bedroom house, listed at \$2.3 million. La Menné used a tactic that had the second family pay a premium on the larger home. "It sounds easy, but there were a few weeks when I didn't get any sleep," she says. "Doing a deal like this requires a lot of patience."

Still, the market is not dead, as one of Brown's clients can testify. Her Shaughnessy house—bought for \$250,000 11 years ago and renovated with another \$300,000—recently sold for \$4.17 million, in five days. "My husband worked for five months to ensure that everything in the house was perfect," says the client. The couple played flowers, got up new railings, painted the basement floor. "If you don't make extra efforts you won't get the buyers," advises Brown. What a difference a few years can make.

JENNIFER HUNTER in Vancouver

# And for \$2 million...

Developers plunge into the luxury condo market

*View far to east  
Floor of the 5 King West  
proposal in Toronto; exterior  
(below): kitchen with 12 appliances*



Property developer Harry Shuman was infatuated one of his passions—after making trade shows—where he found the very thing he was looking for. Tucked under the escalator at a show in Dallas was a sales representative from Spain, displaying samples of granite. One was the exact golden color Shuman sought for his latest dream, a luxury condominium development in Toronto's downtown core. There is no North American distributor for the granite, so Shuman is flying to Spain next month to personally ensure the quarry can provide enough of the stone to clad his proposed 46-storey building, known by its address, 5 King West. "I'm obsessed," acknowledges Shuman. Then again, it is that sort of obsession that has convinced him to pay up to \$2 million for a one- to three-bedroom residence here, come to expect.

Luxury is back in all its glitzy, flamboyant glory. Although they remain a small fraction of the overall market, buyers looking for the ultimate in amenities and location have returned to the upscale niche in the greatest numbers since the heady days of the late 1980s. The boom in luxury condos is most pronounced in Vancouver and Toronto. Bob Benne, a partner in Lander Benne Project Marketing, one of Vancouver's leading condominium promoters, says sales of high-end condominiums average 30 per cent more than last year, even though the market in expensive houses has gone soft. At the Hypothenuse, for instance, a condo project that will overlook Stanley Park, 60 of the 90 suites have been sold even before ground-breaking, says Benne. Average price: \$1 million. In Toronto, more than a dozen projects with many names like The Chedoke and One Post Road are in various stages of development. Units start at \$400,000—and head due north. The resale market is also active, with some well-maintained buildings increasing in value, says condo specialist Brad Lamb, president of Brad J. Lamb Realty Inc. For instance, units in the Rosedale Glen that sold for \$200,000 when it was built in the early 1980s now go for \$275,000. But the late 1990s are not merely a replay of the great decade

Buyers, and buying habits, have changed. Asian investors are no longer snapping up three- or four-unit sight-units. For the most part, any foreign buyers now plan to live in their purchases, and they want the same things as local customers. Typical local buyers are the so-called empty nesters, wealthy couples in their 50s or older whose children have left home. With an eye for a five-bedroom house and no interest in parking or staveing snow, they are looking for a tasteful development in their own neighborhood.

With the demand in place, if luxury condos are competing to offer the ultimate in amenities. "Our developer put in Sub-Zero appliances, another put in granite counter tops, and then another put in 12-foot ceilings," says Benne. "Now, to attract the highest-end buyer, who has seen each feature one at a time, you have to have it all." That "all" usually starts with a larger-than-average space, in excess of 140 square metres. Two-car parking and balconies or terraces are de rigueur. Most units are pre-wired for all the latest in high-tech gadgetry, including Internet access, video teleconferencing and video on demand, as well as security and alarm systems. Top-quality material finishes rule the day, from marble and granite for countertops to slate or hardwoods, such as maple, for floors.

Of course, there is high end—and then there is ultra high end. At the water-front 5 King West development, to be built between existing buildings just steps from Toronto's bank towers, the show-suitings among the variously sized units will be more than 1500 sq ft, each taking up an entire floor. The apartments will feature floor-to-ceiling windows, three fireplaces, and balconies with glass enclosures that slide up out of sight. The \$100,000 lofts will boast 12 appliances—including woks, blenders, toasters, self-dishwashers and cooled wine cellars—in a choice of stainless steel or brushed chrome. Security will be tight, with valet parking, a concierge and voice-activated elevators that open directly into the apartment, not a shared foyer. One thing Shuman promises there will not be the clutter of garbage tumbling down a chute. Instead, residents will place their refuse in the unit's garbage can on each floor, to be collected regularly by staff using a service elevator.

The project, however, is still little more than a figment of a developer's imagination. Shuman needs commitments from 30 buyers before he can approach the banks for about \$45 million in total financing. To saypers in the real estate community who say the project will never be built, Shuman insists the money is out there. While admitting he is relying more on his gut instinct than on demographics, he asserts: "We are turning into a classiest society." He means it approvingly.

JARNAKA WICKENS

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# After McKenna

## Three cabinet ministers seek to become premier

BY BRIAN BERGMAN

**F**or the first time who would be premier, it has become a divisive challenge. At a recent public forum in Bathurst, N.B., one of several held to advance the May 23 provincial Liberal leadership convention, the three candidates—Camille Thériault, Bernard Richard and Greg Byrne—faced the first question from an elderly woman who described herself as a lifelong Liberal. Despairing that the party had drifted too far to the right under former premier Frank McKenna, the woman bluntly asked the leadership aspirants: "How will you bring us back to where we belong as a Liberal party and as a Liberal government?"

How will the candidates ultimately answer that question may determine who emerges victorious at the convention in Saint John. But as their responses in Bathurst indicated, the three can leaders—all of them former McKenna cabinet ministers—are struggling to define how a government led by one of them would differ from the way McKenna single-handedly ran New Brunswick for 10 years until his resignation last October. They spoke of the need to "renew" in the province's health-care and education systems after a decade of painful spending cuts. They also talked of their desire to "renew" the party from within by embracing a new era of consultation and communication—a real-estate-like knock against McKenna's tendency to centralize power and decision-making in the premier's office. But in the end, they declined to dissociate themselves from the man they had all served so loyally. As Byrne put it in his opening remarks, "In my view, Frank McKenna gave us the last provincial government in the country."

It is a difficult balancing act—and one made doubly so because the Liberals, who enjoyed such outstanding electoral success under McKenna, have slipped badly in recent public opinion polls. The decline began even before McKenna resigned according to polls by Halifax-based Corporate Research Associates, the Liberals slid from



Thériault launching his leadership bid. McKenna cleaning out his office (right) pressures to move forward

a high of 73 per cent support among decided voters in November, 1996 to 52 per cent in a poll taken just a month before McKenna's departure. Since then, it has only gotten worse, a poll released in early March gave the Liberals 31 per cent support, compared with 38 per cent for the Conservatives and 30 per cent for the NDP.

The numbers pose an immediate threat to whoever takes over from interim Premier Ray Fenech on May 3. At the present levels of support, the Liberals would most likely win a fourth majority mandate. (They currently hold 47 seats, compared with zero for the Tories and one for the NDP) But the down-and-out mood has many party members rattled. Many blame their falling fortunes on public disquiet with the bottom-line policies prescribed by McKenna, who came into office in 1987 saddled with a \$370-million budget deficit. In short order, 3,200 civil servants lost their jobs, school budgets and municipalities were amalgamated, and the annual growth in health-care spending



dropped from 30 per cent in 1987 to under one per cent in 1997. The results by fiscal year 1994-1995, New Brunswick delivered the first balanced budget in 15 years. It has been running in the black ever since.

While McKenna was known for restoring fiscal prudence, his doggedly professional style of government eventually created hard feelings. A number of so-called public-private partnerships initiated during his final years in office were scrapped, including a plan to have an American company, Wachter Corrections, administer prison programs in the province. A contract signed in January to have a private consortium build the province's first toll highway has

dropped from the hottest issue of the leadership contest—and one that threatens to haunt the Liberals all the way to the next election, which must be called by the year 2000. It is no accident, then, that the three leadership contenders are all eager to portray themselves as left-of-centre Liberals who want to provide one kinder, gentler New Brunswick. They are keenly aware that the NDP has made unprecedented gains in the Maritimes, both in last June's federal election and in the March 24 Nova Scotia provincial vote. "They recognize that the right is on the decline and there's a swing back to the left," observes University of New Brunswick political scientist Don Desautels. "As a result, they are all claiming that they were dragged kicking and screaming into the McKenna agenda."

Ironically, it is the acknowledged front-runner, Thériault, who is the most closely associated with the McKenna era. First elected in 1987, the year McKenna became premier, the 55-year-old Thériault has held several cabinet portfolios, including the critical economic development ministry. In part, he stakes his leftist credentials on his family pedigree: his father, Norbert, served as a cabinet minister in the reform-minded Liberal government led by Louis Robitaille in the 1960s. Thériault told *Maritime* that being part of the right-leaning McKenna government was "always a challenge for someone who was young and considered more to the left." But he adds that, because of the success in turning the deficit, he looks forward to leading a government with the financial clout to meet the needs in the province's social safety net.

The other two contenders are presenting themselves as freer forces who are in a better position than Thériault to convince New Brunswickers that the Liberal party can shift direction. Richard, 47, was first elected in 1991 and appointed to cabinet in 1995. Byrne, 38, first ran in 1995 and served in cabinet for a scant six months. Richard is pledged to run a government of "new ideas"—among other things, he vows that, within 300 days of being elected premier, he will convene a "reflection conference" so that New Brunswickers can discuss their social priorities for the 21st century. In a town he won, Byrne argues that "it is important to choose a leader who can represent change to the public." He adds that, as "the new lead on the block," he is best equipped to do that.

A recent poll of 500 New Brunswick Liberals by Ottawa-based SES Canada Research Inc. indicated the three candidates enjoy roughly even levels of support among the party faithful, but are perceived to have different leadership strengths. Byrne was seen as the most trustworthy, Richard as the most responsive and Thériault as the most popular. But on policy matters, the poll suggests even Liberals are finding it difficult to distinguish among the candidates. Not surprisingly, that is also how the Liberals' political opponents see them. "Whoever wins," says New Brunswick Conservative leader Bernard Lord, "it's going to be very difficult for them to say they've done things differently after calling the shots all these years." NDP leader Elizabeth Wain is even more blunt. "None of them," she says, "can escape the legacy of having been McKenna's handmen." Partisan rancor, to be sure, but for the three would-be premiers, they signal that, even when this race is over, a larger battle beckons. □

## CAUTION: POLITICAL POTHOLES AHEAD

**A** highway paved with good intentions has turned into political roadkill for the three candidates vying to become the next premier of New Brunswick. Determined to reduce the number of fatalities on a treacherous two-lane stretch of the Trans-Canada Highway between Fredericton and Moncton, former premier Frank McKenna's Liberal government decided to hire a private company to build a 195-km four-lane replacement. It would be New

Brunswick's first toll highway, which would then be leased back to the province. When details of the deal were disclosed in January—just as the current Liberal leadership race got under way—they were greeted with howls of protest. Part of it was the price tag: over the next 30 years, motorists and New Brunswick taxpayers will be on the hook for \$2.6 billion in lease fees and tolls. But just as controversial was the fact that Doug Young—the former federal Liberal

cabinet minister who led his New Brunswick seat in last June's election—had emerged as chairman of The Maritimes Road Development Corp., the private consortium that is to build the new highway.

Young's involvement led to opposition charges that he was in a conflict of interest. This was because one 23-km section of the expanded highway had already been built—and partly funded by Ontario while Young was transport minister. At the time, so tolls were envisioned. Now, motorists can expect to pay 75 cents every time they use that part of the road—and part of that money will



go to Young's consortium. While the federal ethics commissioner ruled that Young did nothing improper, that has done little to dampen the public perception that something is amiss. Meanwhile, a new citizens' group, Tollbusters, has been lobbying the three Liberal leadership hopefuls—Camille Thériault, Bernard Richard and Greg Byrne—to scrap the proposed \$7-per-toll on the entire highway.

Tollbusters recently got a boost when an independent poll of 500 Liberals showed

that 62 per cent opposed charging tolls. Still, the leadership candidates, all of whom were cabinet ministers when the deal was negotiated, have been loath to consider any wholesale changes. It is an issue likely to dog whoever becomes premier after the May 2 leadership contest. "There's no way that you can avoid it in the next election," says University of New Brunswick political scientist Don Desautels. "The opposition is going to hammer them on it." The road's life may have just begun.

Motorists protesting the tolls conflict

By B. in Fredericton

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## Potshots at the judiciary

The Canadian Judicial Panel ousted Federal Court Justice Macri Jozal last week for "ignorance and unwillingness" concerning the behavior of members of Parliament. Last December, Jozal presided over a case where Ontario was trying to fire Labour Relations Board chairman Ted Westhead for high expense account spending. During the hearing, the judge expressed discomfort at the way MP's had chosen like "people around the guillotine" when government plans to fire the bureaucrats were announced. Rebuking the buying MP's earned Jozal a slap of his own. Ontario Chief Justice Roy McMurtry said that, if judicial independence is to be maintained, judges "must also strive to enhance the public confidence in Parliament as an institution."

How. Now how about some respect for the judiciary.

The past few weeks have been open seasons as the men and women who preside over our courts. The spate of robe-lashing has included a study parliamentary "debate" over plans to take up an independent commission's recommendation to give federal judges an 8.3 per cent pay increase over two years (their salaries were frozen in December, 1992). The basic salary for federal judges is \$162,000, so there is plenty of room for fair questioning on the size of the raise, or whether new money for the justice system should be targeted elsewhere. But did Reform MP Myrna Thompson really have to accuse the libelous of looking "these greedy parasite identities that exist across this land?" Thompson later says "Judges?"

The language has not been any softer in the province sweeping Alberta—and indeed other parts of Canada—over the Supreme Court of Canada's recent decision at the Dehnen Virel case. The court chose to expand the province's human rights code by "reading in" words to specifically cover gay and lesbians. Given that opposition that protesters were already setting the worst from a court they don't trust. "We have had enough of the appointed, supercilious and unaccountable lawyers who now sit on Canadian courts," declared the January newsletter from REAL Women

of Canada, adding that judges "have the power of absolute monstrosity" (Who, not might, not, elected REAL Women?).

When the court did rule that the Alberta code violated the charter of rights, some dissenters called the Supreme Court a "foreign court" (For the record, the original Alberta trial judge in the Virel case also recommended that protection for homosexuals be "read in" to the Alberta code.) Quebec Premier Lucien Bouchard uses similar language in opposing Ottawa's referendum to the court over the province's legal right to declare independence.

Such harsh, insulting bashing of the Supreme Court undermines confidence in yet another national institution. This is separate from the issue of judicial reform. The question of whether Supreme Court judges should be elected by provincial legislatures rather than appointed by the prime minister is worthy of reasoned debate, as is the issue of opening lower court appointments to parliamentary scrutiny.

But without legislatures are hardly powerless. If they don't like a ruling, the notwithstanding clause in the Constitution exists for a reason: if Premier Ralph Klein thinks Alberta would back him, he can invoke it to override the Supreme Court's decision. But Klein has shied away from using it, in the theory of some of his caucus colleagues, and one can only assume that the political support for such a move isn't there—that most people, Albertans included, support the Virel ruling. What president can quarrel with that?

Choosing to take on the courts with the legal tools at their disposal, critics have set the bar for insults. Do some judges write anything about "low" pay compared with corporate lawyers? Sure. Are there better ways to pick judges? Maybe. But does that excuse tearing away at the judiciary's legitimacy with inflammatory language? "We hear when we hear this stuff," said one western provincial court judge. "We're not going to go on strike or anything, but we sure have less respect for administration now." No one ever said courts have to be popular; they just have to be able to withstand popular rippers. And we are witnessing one right now.

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Based on information made by Ann Hocking, February 1998.

## A person in a military uniform is seated at a desk, looking out a window with heavy curtains. The scene is dimly lit, with light coming from the window. The person is wearing a camouflage uniform and a beret. The window has vertical blinds or curtains that are partially open, letting in a soft, yellowish light. The person's face is partially obscured by shadows. The overall mood is somber and reflective.

**W**hen my husband died last year, I lost my best friend. At my age, it wasn't easy to get out and visit the few friends I had left, but it wasn't easy to be alone either. The apartment was so quiet without Charles, the days went by slowly with only my cats to help pass the time. One day, some people from



the Salvation Army came by just to talk. Over time we got to know each other, and suddenly there was something to look forward to each day. Now they come for tea, bring me flowers and read the Bible to me. When I recently moved into a home, The Salvation Army was there to help. They know how fond I am of music, and sometimes one of the girls brings her guitar so that we can sing together in my room. I still miss my Charlie, but I can live with being alone, now that The Salvation Army has chased away the loneliness. ■



Canada NOTES

A woman who emerged from minor surgery recently been-dismembered was awarded \$2.1 million in an out-of-court settlement. Glare Coombs of Beaumont, Ore., now 34, received 10 times the recommended dosage of anesthesia when she entered a hospital in 1994 to have two wisdom teeth removed. As a result, Coombs is a quadriplegic without bodily function, but through a tube inserted in her stomach. The money will be used to pay for the round-the-clock care she will require for life.

The first teenager convicted of beating Reena Virk, the 14-year-old Victoria-area girl killed in November, was sentenced to six months in youth detention. The 15-year-old joined six other girls and a boy—all aged 14 to 18—in an initial attack on Virk, but was not charged in the second assault that led to her death. The murder trials of two teens are scheduled to begin in June.

The Canadian Olympic Association endorsed Toronto's bid to host the 2008 Summer Games. The \$2-billion proposal makes Toronto's second try for the Games. The International Olympic Committee will decide on a venue in September, 2001. Other possible contenders include Paris, Buenos Aires and Osaka.

Reform's KIP has McGelland announced he was willing to sit as an independent representing a united conservative opposition should Reform and Tory supporters in his Edmonton Southwest riding join forces. McGelland, one of Reform's founding members, said he would rather leave his party than end up "sitting in the old folks home saying we didn't try."

Ontario Health Minister Elizabeth Wenner launched an investigation into the care provided to brain-injured provincial residents sent to Texas for rehabilitation. Her announcement came after Tory government backbencher Tom Snider accused the health ministry of endangering patients by contributing to send them to Targem Rehabilitation Network facilities in San Marcos, Tex., even after two Targem employees were charged with assaulting patients.

**F**IRE came down the hill that dropped Toronto's 75-year-old Christ Church St. James, one of the oldest black churches in Canada, at 5 a.m. on Thursday, April 2, about 10 hours later than the Toronto campus police discovered the body of murder victim Bob Lewis, 44—according to sources, hidden in a body bag—at the U of T morgue. Shortly after that, the fire again broke out, this time at two Roman Catholic churches a mere three kilometres away from Christ Church St. James. In the wake of that puzzling sequence of events, police said the incidents could be related. And they announced that they wanted to question Stephen Thompson, 54, and had launched a search for him.

On Thursday, Toussaint's family had filed a missing-person report after he failed to return home. Toussaint, who served as trustee, treasurer and Sunday schoolteacher at Christ Church St. James, worked at the university morgue—which supplies cadavers for the medical school—where he had been Nemo's supervisor. Both men were lab assistants in the anatomy department. Nemo's family had asked campus police to check the morgue after he had failed to return home from work on Wednesday night. Toussaint, meanwhile, had



Christ Church EL. Women: Arden and a corpse

not been seen since finishing his shift at about 6:30 p.m. on Wednesday (police found his car near his home in the suburb of Scarborough). "We are concerned about his well-being," said police spokeswoman Sgt. Marilyn McCann. "It is totally out of character for him not to come home."

## No to Cherry

Don Cherry no longer represents Bell Canada in Quebec: Reacting to subscribers upset by what they called Cherry's anti-francophone bias, the Montreal-based company removed

Cherry has been under fire in Quebec since the Nagano Olympics in February when he called a Bloc Québécois

MP a "whiner" for complaining about Canadian flags and labelled popular skier Jean-Luc Bessard "a nobody." Cherry's response to Bell was diplomatic—for him. "I sort of admire French-Canadians," Cherry said. "They fight for their rights—they sort of defend me of me."

In the end, it came down to a question of freedom of expression. And as Justice James MacPherson of the Ontario Court's general division ruled, if a company has the right to tell consumers why they should buy its products, other groups also have the right to say why those products should not be bought. For the Friends of the Labison, who for seven years have organized a consumer boycott against Dunsbrake Inc., it was a victory—but it was a setback for the Japanese multinational, which had hoped to convince the courts that the boycott is illegal.

between Danosha and federal and private oil officials, among the pulp and paper assets is log sawmills, 10,000 square kilometers of land in northern Alberta—land claimed by the Lacina Cree. But Danosha would not give the Lacina a commitment to refrain from logging until a resolution of the natives' land claims, leading to the boycott that began in 1997. Danosha first instituted legal proceedings against the Friends of the Lacina in 1995, after the lobby group had convinced about 50 companies not to buy Danosha paper products, for the most part paper bags for the oil. The boycott has cost Danosha an estimated \$11 million. Last week, lawyers for the company said they would appeal McPherson's ruling.





# A fractured dream

**G**abriel Ben Yitzhak and Jamil Abu Heytal share an uneasy existence on a hilltop overlooking ancient Hebron, a town that was already old when Abraham arrived more than 35 centuries ago. The Jewish patriarch is, in religious tradition if not verifiably fact, buried near the foot of the hill. On the mountain's crest lie the ruins of many who have since passed by, including the sons of Jesse, father of the Hebrews' greatest king, David. Ben Yitzhak and Abu Heytal live side-by-side within the shadows of these ancient ruins, the 63-year-old Israeli and his 11 children in a pair of linked trailer homes, the 66-year-old Palestinian and his nine children in a handsome house of white stone. And neither seems capable, or even willing, to escape his history, not the invisible vermin chomping roots all around them, nor its modern variant, best exemplified by the looming presence permanently encircled on the opposite side of their tiny street—a combat-ready, armed to the teeth platoon of Israeli soldiers.

The Israeli and the Palestinian have been near-door neighbors on the top of the Hebron hill both call Tel al-Zeitun—Mound of Olives—for 11 years. But for the past eight they have not exchanged a



ON ASSIGNMENT  
BARRY C. ME  
IN ISRAEL

greeting anywhere," comments Ben Yitzhak calmly, sitting on his lawn. The Israeli would be less diplomatically endorsing. He is slight and soft-spoken, generously bearded, arrayed in the kippah—skullcap—and blue military undershirt—of the observant Orthodox Jew. "I am compelled by religious duty to remain where I am," he says. "What I am doing here is helping to establish a Jewish presence in a city that is sacred to Jews the world over. I am acting on behalf of Jews everywhere. How could I ever possibly leave this place?"

That such a question can still be posed, even in Israel, celebrates the 50th anniversary of its rebirth, is telling. Hebron, to be sure, is not at all typical of the modern, flourishing, vibrantly multicultural Israeli state. It is not even within Israel's recognized borders but, rather, a divided part of the region's emerging Palestinian entity on the Jordan River's West Bank. Moreover, it is home to the exiles from both camps. Many of Abu Heytal's 20,000 fellow Arab residents

of the town are ardent supporters of Hamas, the violence-prone Islamic radical group. The 536 Jewish settlers who, the Ben Yitzhaks, have stubbornly chosen to live among the Palestinians in Hebron are widely regarded by most of their Israeli compatriots as religiously driven fanatics, as much of a threat to the country's secular, still-imperfect democracy as any hostile foreign army. But all the same, there is something in the fraught relationship between Ben Yitzhak and Abu Heytal that does strike a chord, one that resonates through Israeli society. For despite a half century of effort, including four major wars and countless, almost daily, armed skirmishes, modern-day Israel has yet to find the elusive path that will finally end all of perpetual strife with its Arab neighbors.

It is the core issue that affects all Israeli. It transcends all of the country's other problems, overshadowing even the ongoing, serious fighting of Israeli society along religious, class, social and ethnic lines. And it casts a pall over Israeli's many achievements in transforming an indigenous Middle Eastern backwater into an economic and technological powerhouse. Today, Israel is ranked by the United Nations as 32nd worldwide in terms of standard of living, life expectancy and educational standards, and last year it possessed the world's 40th-largest per capita gross domestic product, paring it on par with the advanced industrial states of Western Europe.

The daunting quest for peace is the principal—though not the only—reason for a distinct lack of euphoria pervading the country as the nation prepares to mark—on April 30 by the Jewish calendar—the 50 years that have elapsed since May 14, 1948, the momentary day the British Mandate in Palestine ended. On that same day, David Ben-Gurion rose up before a portrait of Zionist leader Theodor Herzl hung in a drawing room in Tel Aviv's former Moshe Datskin's residence, to proclaim the Jewish state's independence. "In the Land of Israel," declared Ben-Gurion, the country's first prime minister, "the Jewish people came into being."

**A**bu Heytal remembers the moment. He was not with Israel's other leaders in Datskin's old house on Rothschild Boulevard but far away in New York City, a young Zionist official who had been part of the team that successfully lobbied the fledgling United Nations General Assembly to vote on Nov. 29, 1947, in favor of partitioning Palestine west of the Jordan River into separate Jewish and Arab entities. For the critical first decade of Israel's existence, the United Nations-British, British-occupied Egypt was the country's voice to the world as its ambassador to both the United Nations and the United States. Now 83 and still active, according to the eloquent phrases that roll from the tongue, Heytal has no doubt about what has been achieved over the last 50 years. "The Jewish state," he asserts, "is a dramatic success story, something that would have been inconceivable in 1948, far beyond conjecture to the glory Fifties and Sixties."

## After 50 years, Israel is more divided than ever



Secularists meet only in Jerusalem; police shut away a peace activist protesting Jewish settlers in Hebron last week (left), above

This story is one of permanent growth, from 650,000 Jews and 2.7 million Palestinians/Arabs scattered around 31,000 square kilometers of desert, mostly lowland and bare-rock hills to more than five million Jews and nearly one million Arabs today. These citizens inhabit a modern state that has blossomed in recent years into a Mediterranean version of California's Silicon Valley—a manufacturer of high-tech engineering and scientific products and services, a center for business and scientific research. It is no surprise, therefore, that Israelis hold the world record for the use—measured per capita—of cellular telephones. On a more concrete level, Israel is on the brink of reshaping a million Jewish lives. For the first time in 2,000 years, the state is close to becoming home to a majority of the world's Jews, outnumbered currently in numbers only by the Jewish community in the United States.

"We have won the struggle for survival," says Eliezer. "And I believe that is a permanent victory." Still, even Eliezer, one of the last surviving members of Israel's old guard, concedes that the country "is not in a celebratory mood at the moment." There are many reasons, but the root cause, in Eliezer's view, is the nagging suspicion arising among many Israelis that the current leadership may well be squandering the first real chance in half a century to conclude a lasting peace agreement with the country's neighbors. The seeds of that peace were sown by the so-called Oslo Accords, signed in 1993 by Palestinian Liberation Organization chairman Yasser Arafat and Israel's then-Prime Minister Yitzhak Rabin and foreign minister Shimon Peres. Under its terms, Israel trades land for peace, agreeing to withdraw militarily in three successive stages from virtually all of the West Bank and Gaza Strip, territories captured during the 1967 war.

The first phase was initiated by Rabin's leftist Labour Party government and, after the prime minister's assassination by a right-wing Jewish fanatic in 1995, continued by his successor, Peres. But ever since the election in 1996 of Benjamin Netanyahu's right-wing government, the explicit process has been stalled, mired in obstructing, often mind-boggling debate over detail.

Netanyahu argues that Israeli security is the issue, and demands more action by the Palestinian authorities to curb the terrorist activities of militant groups like Hamas. Palestinians claim the Jewish government is merely stalling to allow time for more Jewish settlements in Palestinian territory. "A decade ago there was no significant Jewish population in the West Bank and no significant Palestinian in Israel," he formerly a member of the Palestinian negotiating team that helped draft the Oslo Accords. "Now there are 300,000 settlers on the West Bank, another 200,000 in East Jerusalem. If trends continue, the whole concept of an independent Palestinian state will become in all practical terms non-viable."

Dan Diner does not disagree with the Palestinian view of Israel's current leaders. "Netanyahu hates and despises the peace process to the very depths of his heart," argues the man who still holds the





# 'I think it can work'

Northern Ireland's warring sides last week began debating the keener Good Friday peace agreement almost at ending 30 years of strife between Catholics and Protestants. A poll showed 73 per cent of respondents in Northern Ireland favoured the deal, but Sinn Féin, a formerly pro-British Democrat, launched a campaign to delay it in referendums to be held on both sides of the Irish border on May 22. The survey and supporters of Sinn Féin, the political wing of the Irish Republican Army, backed the agreement by four to one.

Completed after 32 months of talks—brokered by the British and Irish governments and chaired by former U.S. senator George Mitchell—the pact gives the Catholic-dominated Irish republic a governing role through a North-South council on island-wide issues, but leaves the North's Protestant majority that unite with Britain and continue under a majority devolved authority. Over the weekend, the governing council of the Ulster Unionist party, Northern Ireland's main Protestant political organization, voted to back the deal. And if the peace agreement is approved by voters in May elections and is held in June for a new assembly—and the pact's most sensitive task and begins. Over the next two years, retired Canadian general John de Chastelain, a co-chairman of the talks and former chief of Canada's defence staff, will be in charge of disarming the guerrilla groups according to the pact. Last week, de Chastelain met with Mitchell's board of elders to discuss the agreement and his new role. *Excerpt.*

**On the pact's prospects:** I think it can work. And the reason, I would say, is there's something in it for everybody. The essence of the agreement's 30-year-old pagers was aimed to address most of the concerns of much but not give everybody what they wanted. The real understanding was that if everybody got what they wanted, then quite clearly it wasn't a solution, because it would not be acceptable to others.

**On the announcement:** At 5 o'clock, we came into the room. Senator Mitchell was late to announce at 5:20 that both governments and all of the parties agreed to this proposal—and the effect was electric. Not only did we have the coming-together of people, the eight parties and the two governments and chairmen and the two prime ministers in the room, but given the nature of the event some family members were there, and it really was an extraordinary moment. I think so many people would have missed for two

years never really believed they were going to get to that stage. So many who had lost family members or friends or had been attacked, and had seen the load of destruction that went on in their communities, found it a very emotional moment.

**On disarming the guerrillas:** It is most likely that when I'm assigned to say if I'll say when—the IRA hand over their weapons, they will do it in the South. Seventy-five to 80 per cent of their areas are down there now

## Canada's negotiator looks at the peace pact



De Chastelain last week: 'The IRA are a group of thugs'

anyway. They consider the north a war zone.

We've been given figures [on the amount of weaponry], in the north by the police special branch, MI5 and the British army and to the south by the Garda Síochána defence force, and the figures by and large fit. We have deliberately not said what they are. If we say there are 50,000 of arms and two tons of Semtex, the IRA can look at that and say "Himmm, that's what they think." So we haven't done that.

**On his personal security:** We've had no security at all from the outset. That was a determination when the international body started, that it would send the wrong lead of signals. Now here we found it necessary. I make a habit of walking a two-mile walk out of the Europa Hotel, up the Falls Road, which is an IRA area, and then back down the Loyalist side, down the Shankill Road and back to the hotel. There's a wall 30 feet high looking them apart.

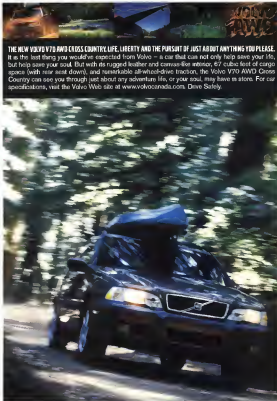
**On the danger posed by the traditional**

**summer marches by Protestant groups, often in Catholic areas:** In the summer of 2006, I think the province came so close to anarchy as I've seen, and I've been in places like Nagasaki and Rwanda and Honduras. I think the concern that they're more so far in 1996 led people to draw back in 1997 and make some accommodations. They said "OK, we'll do it this year, but not next year." Well, this is next year and I think that is the concern that has led to trying to get this settlement done, out of the way, signed, sealed and delivered before the marching season.

**On the suggestion that the IRA gave up more than the Unionists:** I would put it more in terms of Sinn Féin. The IRA are a group of thugs who decided right or wrongly years ago that the only way to stop the harassment and intimidation was to take up arms, but they have done some of the most horrible things imaginable, and killed innocent people in large numbers. So have the Loyalist terrorists—I take no side with terrorists. I would say the people that might be giving up arms are Sinn Féin, the legitimate republicans if you like, in the sense that their aim is a united Ireland. They will say they're not giving it up, this is a transitional circumstance.

Some people have said that the *Admirals* and the *McGuinnesses* of this world [Sinn Féin leaders Gerry Adams and Martin McGuinness] have reached the age now where they have children of their own and look for a more secure future for them, and recognize the futility of violence in producing anything lasting. I would emphasize that into saying that what they're looking for is peace at a fair price.

**On his appointments:** I was asked, in September of '96, would I want to put my name forward, and I said, "Don't be silly, I think to be British, in fact I still have a British passport"—I renewed it in '02 so I could get through the airports more easily in Europe. I don't claim any kind of British citizenship. I'm a Canadian. I have been for 40-some-odd years. I told them there was no way I could be Sinn Féin would accept. But I went at a NATO meeting in Brussels in November and I got called at midnight. The Prime Minister's Office said they're setting up this organization and they want you. I think the reason they accepted it they wanted a one of the three men here to have a military background because we were talking about [arms] decommissioning, and I turned out to be it. I think the Canadian connection was very important. □



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## World NOTES

### CANADIAN IN SPACE

The space shuttle Columbia lifted off carrying Canadian doctor Steve Williams, six other astronauts and a menagerie of insects, snails and pregnant mice. The 16-day mission, delayed a day due to a faulty data processor, will conduct 26 tests on how weightlessness affects the brain and nervous system.

### SHOWDOWN IN RUSSIA

For the second time, Russia's parliament rejected President Boris Yeltsin's candidates for premier, 35-year-old Sergei Kiriyenko, who has been in politics for less than a year. If Kiriyenko is rejected again this week, Yeltsin must call elections.

### BOTHA IN THE HOT SEAT

Former South African president R.W. Botha went to court on contempt charges for refusing to appear before the Truth and Reconciliation Commission that is probing apartheid-era abuses. Botha's hearing was postponed until June so his lawyers could respond to new evidence that he approved nearly 2,000 acts of torture.

### UN TEAM QUILTS CONGO

After eight months of shelling and harassment by President Laurent Kabila's government, UN Secretary General Kofi Annan withdrew a human rights team from the Congo. A Canadian member had been briefly detained a week earlier. The team was probing reports that Kabila's forces massacred Hutu refugees from Rwanda as they fought their way to power last year.

### CLASHES IN IRAN

A feud between Iranian moderates and hardliners escalated when thousands of students gathered on behalf of the city's reformist mayor, Ghobadollah Karbaschi, who had been imprisoned on corruption charges. He was released on bail a day later, after liberal President Mohammad Khatami asked top religious leader Ayatollah Ali Khamenei to release him.

### OUT OF CHIAPAS

Two Quiché women were expelled from Mexico after the army evicted them from a settlement in the troubled southern state of Chiapas. Julia Marquetle, 21, and Sarah Merline Bakkeren, 24, said they were there only as observers and had witnessed human rights abuses.

## The final escape for Pol Pot

**T**he Cambodian King Norodom Sihanouk, he was "one of the most powerful monarchs ever created by humanity." Yet in death, Pol Pot earned the same posthumous reputation he won during the bloody four-year reign of terror he unleashed in Cambodia in 1975. After his Khmer Rouge army seized control of the country, Pol Pot declared it was Year Zero of a new era. He executed the elites, slaughtered intellectuals and forced virtually

everyone else to work in the countryside. People who resisted were killed and those kinds of others were worked to death in the fields. When the invading Vietnamese army finally defeated the Khmer Rouge in early 1979, nearly 1.7 million Cambodians had died in the "killing fields," according to recent scholarly estimates. The international community had hoped to put Pol Pot on trial, but justice was cheated last week when he died at 73, reportedly from a heart attack, in a tiny jungle hamlet near the Thai border.

Pol Pot had asked his men to carry him to safety, but they refused. He was found by a Thai soldier in a small village near the border.



The corpse lived out by Khmer Rouge in 1979 (left); reign of terror



When he was 24, he received a scholarship to study radio technology in France, and became a Communist.

Back in Cambodia, he took control of the nation's first Marxist party and later led his followers into the jungle. But it was the Vietnam War and the U.S. bombing of Cambodia in 1973 that many analysts say brought him to power. The bombing created thousands of refugees who joined Pol Pot's army, which seized power two years later. But the dictator never admitted his crimes. "I come to carry out the struggle, not to kill people," he said in an interview last year. "You can look at me, am I a savage person? My conscience is clear."

### SPINNING

### No way out for Clinton

**T**here is no end in sight to the two scandal probes dogging Bill Clinton's presidency. Special prosecutor Kenneth Starr said he has no plans to wrap up his investi-

gation any time soon, and Paula Jones introduced the bill to appoint the chairman of her sexual harassment suit. "I have not come this far to let the law sit and who have done such things dodge their responsibility," said Jones last week. She says Clinton exposed himself to her and asked for oral sex in 1991 while he was governor

of Arkansas and she was a dressmaker. Her lawsuit sparked several other allegations of sexual impropriety that led to Starr's grand jury report. Her trial has begun, but it is expected to be delayed. Jones has to prove up in court. Starr's report is expected to be released in late 1998. Starr is a lawyer at the University of Illinois, Urbana.

## Can Paul Martin protect consumers when merger-mania rages?

*Bank (left) and Flood increasingly, the banks are eating the agenda*

# THE CHALLENGERS

BY ANTHONY WILSON-SMITH

**T**his time, Paul Martin kept his cool. Last January, the Bank of Montreal and Royal Bank announced plans to merge and create one superbank, with assets of \$403 billion. One problem was that they didn't bother to tell the finance minister of Canada—who has the power to block them—until about an hour before they went public. Martin was apoplectic and immediately began talking tough. "Yeah," he agreed last week, "I wasn't thrilled." So when the Toronto-Dominion Bank and the Canadian Imperial Bank of Commerce were preparing to make public their plans last week, they were more careful. At 4 p.m. the day before their announcement, bank officials tipped off Jim Peterson, the secretary of state for financial institutions, and Scott Clark, the deputy finance minister.

Several hours later, CIBC chairman Al Flood and TD Bank chairman Charles Hottle spoke jointly to Martin, who was in Washington at a conference of finance ministers from the G-7 group of leading industrial countries. Their handling of relations with the finance minister may have been better, but in practical terms the outcome was no different. In a *Maclean's* interview, a blunt Martin insisted that "it was because they decided to get into bed together doesn't mean that I have to bless their union."

In short, Martin's message is that Ottawa—decide what comes next, and when "There will be no mergers in the banking sector until we are convinced that it is what is best for Canadians," added the minister, "and we will not be stampeded into making that decision." That message was reiterated by Finance Minister Jean Charest, who was in Chile for a meeting to discuss free trade. But despite such assertions, the consensus on Bay Street—and even among many of the government's own supporters—is that the banks are setting the agenda while Ottawa follows, however gradually. "The real issue," suggested a senior official at another bank, "is not whether the Liberals approve the mergers, but what conditions they will attach and how long they take to do so."

Privately some Liberals agree. "No certain point," said one backroom associate of Martin, "you need to accept the inevitable and make the best you can of it." The inevitable, in this case, likely means allowing the TD and the CIBC to join forces, becoming a single institution with about 70,000 employees and assets of \$480 billion. At a Friday news conference, Flood said the proposed deal "encompasses jobs, investments, dividends and



CIBC branch, critics say the consolidation will be short-term benefits of jobs

taxes generated by the new bank continue to benefit Canadians."

It also means that if both recent mergers are approved, Canada's two new megabanks will control 70 per cent of the country's banking assets between them. By itself, the CIBC-TD bank would have 20 million clients. Those numbers lead to concern from critics—including Peter Gosselin, chairman of the competitive Scotts-bank, who observed that the two new banks would create a level of market share that would be "unacceptable" in many other countries.

In any event, neither merger will happen until at least 1999. That is because the government is awaiting delivery of a report on reform of financial institutions this September, and then Parliament is likely to discuss the issue until at least the end of the year. Any merger requires the approval of regulators including Martin, the federal competition bureau and office of the superintendent of financial institutions.

The price for approval would almost certainly involve a variety of demands, according to federal government sources. For one, the Liberals could insist that merged banks commit to maintaining their payoffs and branch networks at existing levels for a specific period of time—such as three or five years. The Liberals are also preparing legislation that would ease the terms under which foreign-owned banks operate in Canada while widening the range of services they are allowed to offer. In addition, they could push the new megabanks to divest some or all of the holdings they have in brokerage companies. (Already, there are

## CIBC

*If the proposed marriage of the CIBC and TD Bank goes ahead as planned, the new bank would adopt the CIBC name and TD Bank colors, and would have:*

- a market value of \$144.6 billion, making it worth more than in North America and 21st in the world
- \$460 billion in assets
- 10 million customers
- 2.1 million discount brokerage clients
- \$504 billion in personal deposits
- \$33 billion in mutual fund deposits
- 2,800 branches
- 71,000 full-time employees

PHOTO BY AP/WIDEWORLD

runners on Bay Street that Merrill Lynch Ltd., which is owned by the Bank of Montreal, will either go public or be sold to Merrill Lynch Inc. of New York City. For now, Martin declines to discuss specifics, saying only: "We are studying two things—whether mergers are a good idea and if they are, under what conditions to allow them."

What is a difference a year and some financial wherewithal can make. Last summer, Martin privately rebuffed a merger bid from CIBC and Canada Trust. His resistance seemed to loosen after the clumsy and controversial fashion in which the Royal and the Bank of Montreal announced their own marriage plans. That announcement triggered loud growling in the Liberal caucus and opposition from many consumers. Martin later told associates that the reason he was hesitant at Bank of Montreal chairman Matthew Barrett and his counterpart at the Royal Bank, John Clapham, was "not that they didn't tell me in advance, but that they bloody well tried to jump the queue and break the rules everyone else was obeying."

But an air of inevitability begins to set in, rather than months after two U.S. financial giants, Citicorp and the Travelers Group Inc., announced plans to merge. That uncertainty spurred talks of other mergers throughout Europe and North America. As a result, last week's agreement between the CIBC and TD—which had been rumored for months in financial circles—not with less overt hostility. And even though the merged entity would be enormous by Canadian standards, it would still only be ninth overall in North America based on its stock market value. "After Citicorp and Travelers, it becomes clear that the entire world of banking had just changed overnight," said Ted Noveck, a business professor at Queen's University who specializes in the banking industry.

The announcement by TD and CIBC puts pressure on Martin and the federal government to decide

## HOW THE MERGERS ADD UP

Share of deposits held by Canada's domestic banks

Royal Bank	40.9%
Bank of Montreal	35.9%
CIBC	18.6%
TD Bank	5.6%
Scotiabank	1.2%
National Bank	0.2%
Lawrence Bank	
Canadian Western Bank	

not only their fate, but also the future rules that will govern all banks operating in Canada. One much debated option would be for Ottawa to reject new competition into the industry by granting foreign banks more freedom to operate in this country. But there is no simple formula for boosting the presence of foreign banks. Although more than 40 American, Asian and European banks already do business domestically, most of their business is in commercial lending, with few exceptions, they are

all but invisible in the retail banking field. A key reason for that is the maze of restrictive federal regulations governing foreign banks, all of which are now under review.

At present, foreign banks that want to do business in Canada must set up separate Canadian subsidiaries with its own pool of capital to back up loans. In place of that system, foreign banks would be able to set up branches that would be, in effect, direct subsidiaries of their parent companies. Last year, the federal government finally agreed to loosen the rules, but only to a limited extent. Under legislation that is expected to be tabled this spring, foreign

banks would be allowed to open direct branches rather than having to create subsidiaries. But those branches could only engage in business lending—not consumer deposit-taking and related retail services, such as offering debit cards and cheque accounts. Now, some observers expect Ottawa to relax the rules in order to allow those activities as well. "All a minimum, they have to look at allowing foreign banks to accept retail deposits," said John Dickson, a former senior finance department official and now a financial industry consultant with the Ottawa-based lobbying firm Government Policy Consultants.

Martin confirms that is an option, but he points out that it presents several improving problems. Cited among them is that branches of foreign banks would, in effect, be operating under the regulatory systems of their home countries, rather than having to obey Canada's rules. That, arguably, is a significant challenge to the notion of national sovereignty—particularly given the fact that, as Martin says, "every time you experience a crisis that you can think of in the world in recent years from its source we moved to the country's banking system."

As it stands, there are wide variations in the degree of protection provided to consumers by banking laws in other countries. The United States, for example, allows a much lower level of deposit insurance to bank clients than does Canada. That means that a Canadian who deposited money in a local branch of an American bank would, in theory, be taking a greater risk than someone who used a Canadian-owned bank. "In effect," Martin concedes, "we would be talking about a case of 'buyer beware' for such depositors."

For that reason and others, government officials are skeptical that regulatory change will in itself lead to a surge in foreign competition to the benefit of consumers and small businesses. In general, banks prefer to focus most of their efforts on services that offer the highest profit margins, including business banking and credit cards. The traditional banking services that involve the largest number of Canadians—engaging from home mortgages to lines of credit for small businesses—are likely to remain largely in the hands of domestic banks.

Despite the problems a Bank of Montreal official told Maclean's that polls and focus groups conducted for the bank found that consumers were "persuadable" on the retail mergers. For that reason, the official said, respondents are urged to the likelihood of fewer domestic banks, while looking to Ottawa to not let that job losses and branch closures are held to a minimum. Perhaps significantly, Bank of Montreal officials and their counterparts at the Royal Bank refuse to release detailed results of their surveys. One Liberal insider said the government's aim

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## BUSINESS

concern is not a broad-based public campaign against bank mergers, but a more narrow backlash from small-town residents who are in particular danger of losing their local branches.

In the meantime, the speed with which financial institutions worldwide are merging, changing and being overhauled has provoked the federal and provincial governments to ask whether bigger banks are necessarily better for consumers—or anyone else. Bailie, once opposed to a merger, but after the Royal Bank of Montreal deal, he and Flood began meeting in Flood's hotel by late afternoon on the structure of a union. As for jobs, although Bailie has said none would be lost in the short term from a merger of the Royal and Bank of Montreal, some Royal Bank officials have estimated that the 32,000 jobs that currently exist at the two banks would eventually be reduced by about 7,000. Others suggest that the number of lost jobs could eventually be double that. For his part, the TD's Bailie predicts his own bank would cut its costs by 10 per cent annually—but actually increase the present level of 74,000 jobs after about five years. But he and Flood provided no assurances that cutting jobs will be protected.

Perhaps the only consolation for opponents is the knowledge that consumers in other jurisdictions share their fears and uncertainties. The Citicorp-Telus merger is not a permanent merger existing U.S. law, and future hearings in Congress very similar to those likely to take place in Canada. A bill aimed at overhauling U.S. banking laws was recently withdrawn from the House of Representatives amid opposition from a variety of interest groups, including consumers and the insurance industry.

Ironically, Martin spent much of last week in Washington charting his G-7 counterparts to join him in pushing for the creation of a global banking watchdog. The proposed body would have no enforcement powers, but would provide advice to national regulators and sound warnings where needed about banking problems within specific countries and on an international scale. "What we are talking about," says Martin, "is not the creation of another office on Pennsylvania Avenue, but rather some form of mechanism to ensure that we all see the rules the same way." So far, he has won qualified endorsement of the idea from both his G-7 counterparts and officials at the International Monetary Fund.

The creation of such an agency, says Martin, "would do a lot towards solving our own dilemma." But for now, that is none of a wish than a probability. In the meantime, there is even more market speculation swirling around banks and trust companies. The latest, at week's end, involved Scotia Bank and Canada Trust. "Our timetable is one the banks agreed to," Martin insisted yesterday. "We will follow in our own good time." Never mind a good time; the banks are hoping it won't be a long time.

By JANE GRIMES and JOHN NICOL, in Toronto and JOHN LARSEN in Ottawa

## 'We will not be rushed'

*Finance Minister Paul Martin was in Washington for a meeting with his G-7 counterparts when he learned of the planned merger. After the conference, he spoke with Maclean's National Affairs Columnist Anthony Wilson-Smith. Excerpt.*

**Maclean's:** You appeared publicly opposed when the Bank of Montreal and the Royal Bank announced their merger plans in January. Now are you joining this time?

**Martin:** I am not angry at anyone. But everyone should understand that just because a merger has been announced does not mean it will take place. We [in Parliament] have to decide if it is a good thing, and we will not be rushed. Just because they decided to get it together doesn't mean that I have to bless the union.



*Martin: the politics of balancing size with the interests of consumers*

**Maclean's:** How you responded by the international?

**Martin:** No. Perhaps by the players involved, to a certain degree, and perhaps by the timing. But it has been clear ever since the first announcement that there would be more, and I suspect we have not seen the last of them.

**Maclean's:** Is there not increased pressure now to speed things up in Ottawa?

**Martin:** No. The planned reforms of financial institutions are our most important restructuring ever. We must do it properly. The banks agreed to this timetable and they must understand we

will follow it. We will receive a report in September, we will debate it in Parliament, and they'll have as long as they need to debate.

**Maclean's:** Do you subscribe to the view that, for banks, bigger is better?

**Martin:** No, not at all. We understand the importance of size and the ability that goes to spend on new technology. But we also understand the importance of giving Canadian consumers and bank employees adequate protection.

**Maclean's:** One office is to allow a higher role for foreign banks in Canada. How do you envision them?

**Martin:** Yes, historically, we rely on the banking regulations of the country where the parent bank resides. If those regulations meet Canadian standards, great. If not, that is where the problem begins. One problem for recent banking with foreign banks in Canada is that it's not the leading that counts, but the deposit. And the rules protecting depositors are made in the bank's home country, so for Canadians in that event, it would be 'depositor beware.'

**Maclean's:** Is there any way to reconcile those different rules?

**Martin:** That is the same problem countries face around the world. It is why I am proposing the need for an acceptable form of regulatory body inter-nationally. In a global economy, nations cannot allow themselves to be isolated economically by small countries that cannot effectively without working, such as happened in Asia last year.

**Maclean's:** Do you see any reasonable hope for such a body in the near future?

**Martin:** Unless we all focus on the need, it will never happen. Everyone accepts Canada's analysis of the problem. Some countries, such as Great Britain, seem to agree with our solution. We will raise this again at another G-7 meeting next month, and I am hopeful.

**Maclean's:** Why is there suddenly such change going on in the banking sector?

**Martin:** If you look back at banking five years ago, you might as well look back two centuries. Just a few years ago, you didn't have things like online banking, instantaneous transfers, banking in supermarkets, and ATMs everywhere. Now, those are facts of life. Everything has changed.



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# Drabinsky's new role

Canada's theatre impresario is taking a back seat

BY KIMBERLEY NOBLE  
and BRIAN D. JOHNSON

**G**arth Drabinsky should be used to it by now. He makes a decision, or launches a new venture, or sees a company under his command overhauled in one of those headline-grabbing power plays that have become as much a Drabinsky trademark as megamergers like *Show Boat* and *Rightline*. The cry goes up for explanations and second bites. Drabinsky makes himself available. He holds court. He makes ungrudging speeches across his desk. He pronounces, at great length, on whatever he deems are the critical details, laying them out with an eye for pageantry, as though they were pivotal scenery in one of his stage productions. Then what happens, three or four? People refuse to stick to the script. Drabinsky is forced to see his material revealed the moment it gets beyond his control. It never fails to make him crabby and defensive.

He had hoped last week would be different. Drabinsky and longtime partner Myron Gottlieb announced that they are handing control of Livent Inc., their Toronto-based live theatre company, to former Hollywood super-agent Michael Ovitz and a group of U.S. entertainment executives in exchange for a cash infusion of \$20 million and a pledge of ongoing management help. The players of lore listed this as a joyous corporate event. Drabinsky as vociferously as anybody. By accepting a demotion from the positions of Livent chairman and CEO to vice-chairman and chief creative director, Drabinsky says he will be able to fight about the day-to-day hassles—all but decision-making battles—and continue to direct his time in overseeing the production of plays. "This is absolutely, astoundingly positive," he says. "Imagine that sentence with every word written in capital letters. 'I am finally able to do what I really want to do now, for the next 30 years of my life. I am a happy man.'"

But during a wide-ranging *Money* interview at Livent's Toronto headquarters, he did not look happy. He looked tired. The 49-year-old lawyer-turned-impresario—afflicted by a severe limp from a childhood back injury—just gave through a jargon-laden wall of back spasms. The pressure and intensity of the past few months, he said, had left him exhausted. And after a day of trying to bat down headlines proclaiming he had lost a "takeover," Drabinsky was losing his patience—mildly, once again, by the way his critics kept rewriting the script, suggesting he has been pushed aside by his wealthy and powerful American friends. "It wasn't a takeover," he says. "It was *never* a takeover. I was the catalyst



Drabinsky, only a few months ago, he was hailed as the savior of Broadway

for this happening. But people want to give it their own twist. They don't want to listen to facts. They want to pursue their own agenda."

It's hard to blame them. After all, it has been less than three months since Drabinsky finally appeared to have it all: fame, fortune, recognition and respect. In late January Livent's New York production of the musical *Rightline* opened to a booming box office and mostly rave reviews in the company's own 42nd Street theatre, a glittering \$40-million showpiece erected from the ruins of the historic Lyric and Adelphi playhouses. As the company's founder and controlling shareholder, Drabinsky was touted as the savior of Broadway. His picture was on the front of *The New York Times*. He was the subject of one of those long profiles in *The New Yorker*. Twenty years after he first stumbled into the public eye within crony circles that movers could be persuaded to shell out films in tiny box-theatre, eight years after his dramatic ouster from his previous job as chairman and CEO of

Circle K/Inc. or  
Show Boat/Amco and  
expensive mistakes



Circle-K/Ocean Corp. Garth Drabinsky had made better than good. He had made history.

That requires a bit of a stretch, all things considered, suspension of disbelief, to which he ardently endorses the new downtown Drabinsky as the *True Garth*. And it is not just his critics who doubt his version of events. People who lionize and respect Drabinsky, who know him well, are struggling with the same problem. The unscriptable fact is that when this deal closed in June, Ovitz, the onetime Walt Disney Co. president, will go into Livent with his chequebook and came out with 12 per cent of Livent's equity and voting control over 35 per cent of the stock—including the 25 per cent being sought by Drabinsky and Gottlieb.

On top of that, Ovitz and Livent's new management team—including New York investment banker Ray Purnell, who will take over as chairman and CEO, and Ovitz's right-hand man David Moser—will receive a wind of warrants and stock options tied to improved performance of Livent's staggered stock. As part of the deal, Ovitz insists on the right to buy 99 per cent of Drabinsky's stock, and nearly two-thirds of Gottlieb's, at least twice the price, at any time over the next year. "I don't care what kind of history line he gives you," said a Canadian entertainment executive, a self-proclaimed admirer of Drabinsky, on condition he not be named. "It was his company and now it's not, and I don't think that happens under happy circumstances."

The question everybody asks is: did he jump, or was he pushed? The answer probably lies somewhere in between. Drabinsky appears to have been persuaded, partly by Ovitz and Purnell, that if he insisted on running his own show much longer he could end up back where he was in 1989 after the Circle-K debacle. His back was not exactly a payment the wall, but the wall was moving towards him at a steady clip.

The best of the theatre palrons have always had a very different picture of Drabinsky and his business than did the investment or theatrical supply companies that saw what actually went on behind the scenes. To ticket buyers, Drabinsky and Gottlieb are the clever money men who walked away from Circle-K/Ocean with a single Toronto



Ovitz, a hundred spots

to theatre and proceeded to build a \$400-million company with six theatres across North America. They are known for charming out lavish resources such as *The Phantom of the Opera*, *King of the Spider Women*, *Joseph and the Amazing Technicolor Dreamcoat*, *Show Boat* and most recently *Rightline*, and for leading the charge towards increasingly higher ticket prices. One of Drabinsky's first instincts is that he has been characterized as a money-grubbing financier, rather than a visionary business producer. "They're calling me the rest of *Rightline*," he says, "and the new theme coming out of New York was 'corporate producing by committee' or something ridiculous like that, which really drove me crazy."

The financial community, on the other hand, always viewed the principals as gamblers and jugglers. Livent stock is held by a number of blue-chip financial institutions, but most view it as a speculative investment, similar to a junior resource company run by a wheeler-dealer but unpredictable entrepreneur. "You put your money in and you hope the sucker will come out to be big enough," a seasoned Toronto money manager said. "Small suppliers in the Canadian theatre trade are thankful for Livent's business, but certainly about the effort it takes to get paid." "Ovitz has always been notorious for dragging to balls," an industry insider theatre designer said.

Between 1989 and 1993, most of Livent's money came from negotiations of *Phantom*, the Andrew Lloyd Webber musical that, Drabinsky says, has generated nearly \$500 million in box office sales in Toronto alone and turned Livent's Panopticon Theatre into a local landmark. In 1993, Drabinsky and Gottlieb took the company public, raising more than \$50 million—much, during those quarters, was roughly what Livent invested. Although Drabinsky and his Livent executives tended to talk as though the cash was flowing in and the sky was the limit, the reality was that they stretched every penny. "We were subject to a lot of restrictions on our bank financing, as we were a young company, and we had to raise equity every three to four months," Drabinsky concedes.

In 1996, it looked as though the company had scored something

## BUSINESS

of a coup when it tapped into a Boston fund manager called Tim Lee, who made a fortune financing leveraged buy-outs of the companies that make Snapple beverages and First Alert smoke detectors. Lee and his firm bought roughly \$40 million of Drabinsky's stock, for which they were given two seats on the board. But with this new source of capital, Bay Streeters say, came increased pressure on the company to report more respectable profits.

Going into 1997, Livent had more than \$75 million worth of deferred expenses built up on its balance sheet. It had done what Drabinsky says calls a "sneaky" hand deal to raise the cash needed to complete the theatre renovations in New York. Livent was buying the farm on Regency, in the hope it would be profitable enough to offset those costs. Drabinsky now speaks openly about bungled deals, bad marketing and lost revenue as the company scrambled to pay off the bills in the air long enough for Regency to start throwing off the much-needed cash. Drabinsky worked 100-hour weeks but fell flailing a second debt financing, with which he paid back the old bonds and \$44 million in bank debt, and was able to set enough aside to get his company through its current fiscal year.

A month ago, when a trio of longtime Livent executives resigned and people began

asking questions about turmoil at the company, the remaining managers issued it was business as usual. In fact, the company was deep in talks with Oxta and Bay Funnies, whose investment firm, Funnies Set LLC, was Livent's key financial underwriter. Drabinsky, who would talk to Funnies at least four times a day, said he first approached Oxta last summer after reading Oxta's biography. Said Drabinsky: "I called him to say, 'A lot of the events you went through, I can relate to. And I just want you to know that I'm

**I am not walking away—I will run the things I want to run**

thinking about you and are you OK? How are you feeling, and let's have coffee and come on the board of my company. If that would give you some excitement, I would like to see that happen.' " At the time, it did not, but it set the wheels in motion. Drabinsky then talked to Funnies, who talked to Tom Lee in Boston, who talked to his good friend Michael Oxta. Everybody agrees persuading Drabinsky, but they were all talking about the same thing: coming up with a package that would

enable Oxta to release the company, and finding the best person to take the helm at Livent when Drabinsky stepped aside.

In mid-March, Oxta talked Funnies into leaving the Wall Street firm he had sold to Dutch banking giant ING Group last year. He appears to have worked similar music to Drabinsky, who calls Oxta an "acrobatic" deceiver and a "hardcore agent" who persuaded him to recognize that great things can be accomplished when people do not act on doing it all. Drabinsky tells a story Oxta told him, about how Canadian hair firmman used to write, direct, produce and distribute his own movies until Oxta became his agent. "He said, 'Well, I want you to only worry about directing movies. I'll do the business, I'll free you up and all that.' " Benetton took the advice and went on to become one of the most successful designers of the 1990s, making a string of hits, including *Animal House* and *Glenn Gould*.

In return for taking a similar load off Drabinsky's shoulders, Oxta extended during stock options, including the right to buy back of Drabinsky's own shares. "Michael wanted to have a certain critical mass of equity," Drabinsky says, the money seems out of his voice. "It's just the way we worked out the deal. It's perfectly acceptable."

Asked what the future holds, Drabinsky, however, rights back. Oxta will be the main thinker and brilliance. Drabinsky says, while Funnies and Michael handle the finances. Livent, meanwhile, "is going to be as much as more Canadian than ever," he insists. "The head office stays here. And it's to our enormous advantage to develop shows in Toronto." *Bob Funnies*, the guy, 240 Street Street & Director and The Streeters are all being mounted in Canada, he adds. Right now Livent's new creative director is heading to London, where he will oversee the opening of the West End production of *Shogun*. Drabinsky thinks about organizing a London casting call for the first time in three years. "Now it's appalling that I've had so little time to stay on top of the talent in that country." He worries the idea of speaking long afternoons in the theatre talking with his directors about lighting and scenic design and costume changes.

But the more he goes, the more Drabinsky starts to sound like the boss. "I'm not walking away," he says. "I will run the thing. I want to run it myself, what do you think. That you can bring in professional management from the outside and in one fell swoop they're going to understand this corporation in every respect?" This is when Drabinsky really starts to sound happy. This is also the kind of talk that makes friends wonder how long the new management relationship will last. "Can you imagine Garth going to other executives and asking for financial approval for his projects?" and one "Finally, I'll be very surprised if Garth is still there a year from now." Drabinsky would argue with this. Everyone else will just have to wait for Livent's next act. □



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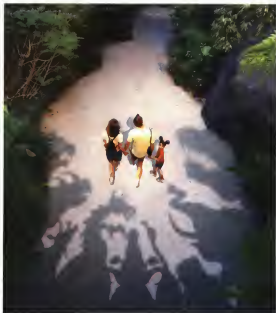
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## CARTY TO HEAD AMERICAN

Canadian-born Daniel Carty will succeed Robert Chisoff next month as chairman and CEO of American Airlines. Carty has been the airline's president since 1995. His brother, Doug, is chief financial officer at Canadian Airlines, which is 25-per-cent owned by American's parent company.

## KINNEY CHAIN CLOSING

All 84 Kinney shoe stores across Canada will close by June 30, eliminating 600 jobs. New York City-based Woolworth Corp., which owns the money-losing chain, plans to convert 40 of the stores into branches of its more popular divisions, including Foot Locker and Northern Reflections.

## EATON'S TO ISSUE SHARES

Eaton's, the department store chain that emerged from bankruptcy protection last fall, is hoping to raise \$175 million by going public later this year. A draft of the company's preliminary prospectus says the family-owned firm expects to earn about \$40 million this year after losing \$168 million last year.

## BUCKLE UP, AIRLINE SALES

Air Canada introduced a new rule requiring passengers to buckle up at all times when they are seated. The move is part of an industry trend following the death of a passenger aboard a United Airlines jet last fall when turbulence lost his. Air Canada acknowledged the rule may be hard to enforce.

## HIGH TECH IS TOPS

High technology has replaced forestry as British Columbia's biggest employer, a new study says. Consultants Ernst & Young and the Toronto Dominion Bank's recent high-tech firms employed 61,000 people in the province at the end of 1997, compared with 33,000 in agriculture and 30,000 in forestry. High-tech employment has been growing by 22 per cent a year since 1995, compared with a 10-per-cent annual rate of decline in forestry jobs.

## CAMECO INKS TAKEOVER

Saskatoon-based uranium giant Cameco Corp. is spending \$480 million to increase its stakes in mines in Western Canada, Nebraska and Kazakhstan. Cameco said it has signed a deal to acquire the interests from Uranerzgesellschaft GmbH, a company owned by a large German industrial group.

## Turmoil on the phone front

Turned-back Canada's telecommunications industry with news of a major takeover bid and the breakdown of talks aimed at forming another phone giant. CallNet International Inc., the Toronto-based owner of Sprint Canada Inc., launched a \$1.6-billion offer for Foronco Inc. of Montreal, signalling the start of an industry shakeup. "This is an industry where you need to have scale," said CallNet chairman, president and CEO John Naser. Sprint specializes in residential long-distance service, while Foronco's strength is in the business market. Meanwhile, Alberta's telephone company, Telus Corp., broke off talks on a proposed \$1-billion merger with ABN Long Distance Services Co. of Toronto. Disputes with the two firms did not reveal why the negotiations failed.



Naser: 'You need to have scale'

Intense competition brought on by deregulation of the telecommunications market has forced companies to seek acquisitions to remain competitive. A deal between Telus and AT&T would have broken the market wide open, effectively putting an end to the Senator alliance, a national partnership among Canada's former telephone monopolies, including Telus, Bell Canada and NBT. Now that the deal has been accepted, analysts say CallNet may face

competing bids for Foronco, including one from Telus. In a recent videoconference with alumni of the Queen's University school of business, Bill Cusack, president and CEO of ABN Canada Long Distance, said he would like his company public if the talks with Telus broke down.

## The battle for WIC

Has Winnipeg broadcasting mogul Ray Rapier lost his long-standing campaign for control of WIC? We aren't sure. International Communications Ltd. of Vancouver? That appeared to be the case after WIC's board of directors recommended that its shareholders accept a deal, \$875 million after taxes. Shaw Communications Inc. of Calgary Shaw's other works out to \$43.50 in cash and stock for all of the outstanding non-voting shares, compared with

CanWest Global Communications Corp.'s bid of \$39 a share. WIC is one of Canada's largest broadcasters with nine TV and 22 radio stations. CanWest currently owns 35 per cent of WIC's voting shares, but has no say on the company's board because Shaw, together with Edmonton's Alard family, controls 69 per cent of the voting shares. The new deal is subject to a \$30-million breakup fee if a better offer materializes. Another clause gives Shaw the right to buy WIC's radio broadcasting businesses for \$160 million.

## FINANCIAL OUTLOOK

Exports rose 2.2 per cent in February, boosting Canada's matched to the seasonally adjusted 31.8 billion. The rebound followed a 1.3-per-cent decline in exports between December and January. The U.S. trade deficit, meanwhile, climbed to a monthly record of \$17.4 billion as the imbalance with Japan August 21 per cent and merchandise exports fell to a one-year low. New vehicle sales in Canada also bounced back in February after a drop in January. Sales of cars were particularly strong, offset-

## CROSS-BORDER TRAVEL



"Dwindling (motor vehicle) sales were exacerbated by a 44.8-per-cent surge in sales of imported cars, previously from Japan." This decline will be triggered by weakness in the year, which has helped cut the average cost of imports. —Nasrullah Khan

"Forest products are back on an upward trend despite strong competitive pressure from Scandinavia. Pulp demand in Asia and elsewhere in the United States are the two main sources of demand." —Scott Capital Markets



# Peter C. Newman

## Traders: A TV drama too close for comfort

**A**s Canada more and more adopts the Money Culture, Bay Street becomes less a place than a metaphor.

Bay Street—really a 20-block district of skyscrapers bounded by Toronto's University, Victoria, Queen and Front streets—not only helps determine the price of money in this country, but to a surprising and disturbing degree, its ethical standards—or the lack of them.

Every week on television, Canadians get a peek into this world through *Traders*, a slick and persuasive portrayal of Bay Street's Darwinian reality: the fittest and fastest win every time. *Compass* is for losers. Money is the sex of the Nineties.

The series deals largely with the gutter ethics of traders who would shoot their mouths if there was a switch in it. What's troubling about the show, which is produced by Toronto-based Atlantic Entertainment and will launch its fourth season this fall, is not that it attracts weekly audiences of more than a million, but that it ventures dangerously close to being a documentary.

Its portrait of moral decay within the upper reaches of Canadian capitalism is so graphic, debauched, without becoming preachy, and it is this gritty quality that makes it so compelling. The hour-long shows are lightening-paced morality plays in which the anti-heroes almost always triumph over the nighttams. It is a three-part remake of Gordon Friedkin, played by Michael Douglas, in the 1987 film *Wall Street*, who was hit ethical by pass at birth and was on the phone 30 seconds after the Challenger blew up, selling NASA-related stocks.

The message here is that every dream has a price tag—and that most people are willing to pay it. *Bay Street* is filmed as a battle scene. The dramatic opening titles—backed by Louis Natale's menacing and brilliant background music—are glimpses of an underworld that creates wealth but causes. The show's players spend their days transfixed by the eerie glow of computer terminals, feverishly dialing for dollars as they try to out their equally greedy counterparts into buying shares in some company that's "in play." The shattering never stops. Like jumped-up cocaine addicts, the big shooters are in on it much for the game as the game.

The star of *Traders* is Marty Stephens (played by Patrick McKinnell), a charming rat-fink who not only proselytizes the action but down at the killer instinct of his crew. He treats the show's prevailing moral: a mixture of slapstick and foreboding that can break at any moment into a shake-leaving frenzy.

Under the control of various directors, the camera becomes a predator, probing the characters' vulnerabilities and superficiality with cool indifference. The most disturbing aspect of the

screenplays, written by executive producer Alison Feltes, is her ability, in a throwaway phrase or three, to capture the essence of each situation.

The plot of this week's episode deals with a scheme to move the United Nations from New York City to Montreal. The idea is presented as an altruistic gesture, but Gardner/Ross, the show's fictional firm, also happens to own large trunks of Montreal real estate that would benefit from the deal. At the same time, the show's protagonist female character, Sally Ross (Gina Gerson), has a brief fling with a twenty-something trader—and one of the series' sustaining characters is killed by a car bomb. In other words, your average day at any Bay Street brokerage house.

One of this episode's main bylines is the idealism of trader Ann Krywank (Sean Roddick), who goes long on Colombian assets, because "the drug enforcement agency is about to supply quick growth cotton seeds and startup capital to Colombian cocoa growers." Under questioning by Marty, she admits her source is "a Mouslie in my Narc/Ass group."

The purchase is disrupted by a news bulletin about road slides in Cali, which affect the world cotton market and ruin Ann's profit prospects. Ann has to sell her cotton contracts, but Marty has a better idea: "What grows in a mud slide," he wants to know.

Ann is devastated. Marty abandons all of the firm's activities south of Mexico. "Shouldn't we care if people's lives are out of balance?" Ann insists.

Marty: "As it affects the price of commodities? Yes. The way it moves the line in New York? Absolutely. On the little guys' heads his donkey to work? Not a pic."

He strikes at Ann tenderly: "We scrape the silver lining off every dark cloud. Start scraping or get off my face."

A fellow trader tries to comfort Ann: "If you want to help Cohen too," he says, "sponsor a foster child."

"They make money shorting Colombia, and sponsor a whole village."

A few minutes later, Ann decides she's had enough and resigns from the firm—just before she's about to be fired.

She goes off to do good works in Colombia, which is not very believable, but the message has been delivered: As Ann leaves the office for the last time, Marty reminds for a moment: "I'll keep your desk empty for when you change your mind."

She gives him a better hint: "You'll be back, asking for more money," he shouts and breathes off her embrace.

Marty doesn't slow himself to look up, until she's gone. This is not real life. But it's great drama. And it's a little too close to real life for comfort.

## Its portrait of moral decay in the upper reaches of Canadian capitalism is what makes it so compelling



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## Cellular confusion

Picking a phone package can be a headache

As a 40-year-old television consultant, Michael McNeil knows a fair bit about technology. But even he was confused when he went shopping last month for a mobile phone. In the end, he bypassed the store displays and professional assistance and asked his friends for advice. A number of them recommended signing up with Clearnet Communications Inc. of Pickering, Ont., so that is what McNeil ended up doing. So far, he's happy with his choice, but he has yet to figure out how to program his phone to store frequently called numbers. "The problem with technology is that it takes hours to learn how to use everything," says McNeil, waving his frustration with the digital age.

No less baffling than the myriad features of a new cell phone are the dozens of options and calling plans now available to consumers. What is PCS? How much will long distance calls cost? Are 100 minutes of free time per month enough? Will the service work in the United States? The questions are many, and stylish ads featuring insects or dogs—as employed by a couple of the companies—don't necessarily make things any clearer. That may be one reason why only 14 per cent of Canadians have a mobile phone, compared with 40 per cent of con-

sumers in Finland and 70 per cent of Israelis.

Part of the confusion arises from the availability of two different types of cellular systems, analog and digital. Analog, an older cellular technology that transmits calls using radio waves, has been employed since the mid-1980s by Rogers Cellular Inc. (now marketed under the Candel AT&T name) and the Mobility arm of the rural telephone companies, including Bell Mobility, BC Tel Mobility and Telus Cellular.

In the past two years, however, the cellular business has been swept off its feet by personal communications services (PCS)—a digital technology that converts sound into bits, the same format used to store and process information on computers. Digital cell phones tend to have better sound quality, longer battery life and a lower risk of falling prey to electronic snoops, since the transmissions are harder to intercept. They also generally cost less per minute than their analog cousins. But for all their benefits, coverage remains spotty—ranging from a few of 50 per cent of the country's population for Fido to 81 per cent for Candel AT&T. By contrast, the analog services provided by Candel AT&T and the regional phone companies reach more than 90 per cent of the population. The bottom line, experts say, is that

*McNeil's myriad features and dozens of options and calling plans were available*

people who live outside major urban areas or spend a lot of time driving between cities or traveling are usually best off with an analog phone or a dual-mode digital phone, which automatically switches back and forth between the two systems depending on the caller's location.

If wide coverage is less of a concern, PCS is the way to go. The main points to consider are the cost of basic service (which ranges from \$25 to \$25 among the four carriers), the cost of the handset and whether subscribers must sign a long-term contract. At Clearnet, which has more than 142,000 digital subscribers, \$80 per month buys 150 minutes of airtime, with additional minutes in Canada billed at 30 cents a minute, plus an extra 30 cents a minute for long-distance calls. Services such as caller ID, call waiting and voice mail are free. Fido, which has about 100,000 subscribers in Quebec, Ontario, Alberta and British Columbia, also offers a \$89-a-month plan with 100 minutes of free time, but the extra air cost money—for example, \$3 for caller ID and \$2 for voice mail. With an eye to heavy users, Fido offers a second plan that packages 400 minutes of time for \$40 per month.

While Candel AT&T and the Mobility companies have a combined subscriber base that numbers in the millions, their digital base numbers are much more modest. Candel AT&T has some 250,000 digital subscribers, compared with Mobility's 65,000, for a lineup of plans that range from \$30 a month to \$50. No contracts are required if the handset price is at least \$150, or purchased. A similar menu of choices is available from most of the Mobility members, with handsets ranging in price from \$140 to \$160, and some type of fixed-term contract required for most programs. All the digital providers, with the exception of Clearnet, have a feature that allows subscribers to use their phones in the United States. Clearnet expects to introduce U.S. service later this year.

Regardless of the plan, most analysts say now is a good time to take the PCS plunge. Ben Grant, a telecommunications consultant based in Bethesda, Md., says fierce competition has reduced per-minute charges to a quarter of what they were two years ago. "Per-minute rates have bottomed," says Grant. "Two years ago, you had to spend \$250 a month to get a rate of 30 cents a minute. Now, it's enough to spend \$40." Further price cuts, he adds, are unlikely in the near future or for no other reason than that the industry is still struggling to earn back its investment in all that fancy new technology.

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# People

Edited by  
TANIA DARTES

## Creative stretch

Although women dancers are a quintessential part of classical ballet, female choreographers are a rarity. **Dominique Dumas** straddles both roles. The 30-year-old native of Lac-Séneque, Que., started dancing at the age of 7, and was accepted into the National Ballet School in Toronto when she was 10. "I had no idea what I was getting into," says Dumas. "But when I saw the professional dancers, I knew that I wanted to make a living out of dancing." And she has. In 1986, Dumas was hired as a member of the corps de ballet at the National Ballet of Canada. A leg fracture in 1992 forced her to take a year off, during which she realized that traditional ballet was too regimented for her. "I felt like I was being crushed. It was too confined by the corps," she explains. "I needed to find my own way of exploring other types of dance and movement."

When she returned to the National Dumas—who was promoted to second soloist—started doing choreography workshops, and discovered that the art form came to her easily. So easily that prima ballerina **Karen Kain** asked her to choreograph a duet for the Gala des Danseurs in Israel in June, 1996. "She took a gamble with me," says Dumas, "which was incredibly brave of her." The National's artistic director, **James Rutherford**, also took a gamble and let Dumas choreograph her first ballet, *The Weight of Silence*, that the company will perform in Toronto on May 4 and in Ottawa on June 13. "It is very unique, not a straight story line, but not abstract either," says Dumas. "For me, it is more important for the audience to feel, than to know."

Dumas' more important  
for the audience to feel?

## Gzowski revisited

The CBC is adding a face to the voice. **Peter Gzowski**, who has been a familiar voice on the air since 1975, is returning to the airwaves during his 13 years as the host of *Morningside* (the repeat last May), will launch a 13-part CBC television series on April 26. Called *Gzowski in Conversation*, the hour-long show will feature such guests as novelist **Anne-Marie MacDonald** and business tycoon **Conrad Black**. "I don't

have a crissade to get on television," says Gzowski, who quips an earlier, not-terribly successful foray into the medium with the 1975-1976 talk show *80 Minutes Later*. "But there are things that work better on television than radio. I have more latitude in my kit, such as body language and facial expressions." The downside of television for the 62-year-old journalist and broadcaster is having to look just right for the camera. "I'm told that I have to sit on my jacket so it doesn't stick up," he says. "I think it's amusing that I'm even wearing a jacket."

## Celluloid's new hot shot

The title of his third film, *No Looking Back*, could be **Edward Burns** motto. In 1995, he was an unknown actor, writer and director launching his first \$39,000 movie, *The Brothers McMullen*. It went on to earn rave reviews and \$14 million at the box office, transforming the Valley Stream, N.Y., native into the film industry's latest golden boy. Next, came 1996's *She's the One*, in which Burns starred opposite **Jennifer Aniston**. Now, in addition to *No Looking Back*, which features Burns with **Lauren Holly**, he has a plum role in **Steven Spielberg's** movie, *Saving Private Ryan*, which opens in July. *No Looking Back* is Burns' first big production, with a \$7-million budget. "Before this movie I needed to learn about film-making," says New York City-based Burns, 30. "There isn't a book on how to conduct yourself in Hollywood as a young director." Using his own small-town, working-class background for inspiration, the movie



Burns: a defector in Spielberg

focuses on a group of friends turning 30 who have given up on their adolescent dreams. "I've always wanted to make a film about my friends who stayed behind," he says. "This is an honest picture about the lack of options in small towns."

While acting in *Saving Private Ryan*, Burns asked Spielberg to look at the raw footage of his own movie. "He watched it and said, 'You look your time telling the story so don't let the executives make you sound it up,'" says Burns. "So when I was asked to speed it up, I told them that Steven said not to touch it." Another case of not looking back.

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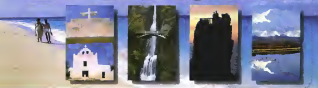
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## Education NOTES

### A new gender gap

If Canadians are becoming smarter—at least as measured by the relentless accumulation of university parchment over the past 15 years—then Canadian women are becoming smarter still. Consider the recent census revolution from Statistics Canada. In 1981, the proportion of Canadians in their 20s with a postsecondary degree or diploma was the same for men and women: 37 per cent. By 1996, 51 per cent of the women in that age group had earned a degree or diploma, but only 48 per cent of the men had followed suit. The most noticeable change since 1988: a doubling in female science and engineering grads.

The gender gap was also evident at the high school level where proportionately more girls than boys completed high school, a substantial shift from 15 years earlier. What may be spinning on the Canadian quest for higher education is the attainment levels of recent immigrants. About 34 per cent of immigrants aged 25 to 44 had a university degree, compared with 16 per cent of those who had grown up here. But if Canadian women, especially, are leading this charge, they still have a long way to go. As one in point, while there was a 30 per cent increase this year in the number of academics and administrators at the University of Toronto earning more than \$300,000, only 66 female academics—11 per cent of the total—made the list.



Research at the University of Montreal, about

	Total grads 1976	Female grads	Increase since 1976
Engineering, Applied Sciences	24,245	21.7%	105.1%
Social Sciences	105,390	41.1	66.4
Commerce, Business Administration	66,335	41.1	44.0
Mathematics	56,548	62.5	42.2

### Hollywood comes calling

Not content merely to watch its graduates vie for Oscars in animation and computer graphics, Ontario's Sheridan College wants to become the MIT of electronic media. Last week, the College's board of trustees announced a \$40-million expansion of its much-praised computer graphics and animation programs, scheduled to open in September, 2000. But the expansion may mean a new price tag for students. The college is contemplating increasing its tuition from approximately \$1,800 a year to as much as \$6,000 a year by 2004. To ease the blow, a group of computer companies, alumni and even current students have pledged slightly more than \$17 million—the final amount to be matched by the province—for a honorary trust fund for future animators, among others.

Sheridan's reputation is such that each year its students find jobs within a few seconds of graduation, an estimated 80 per cent of them following the steam roll to Hollywood where they have applied their craft to such big-screen hits as *Jurassic Park* and *Men in Black*. This week, the main attraction on campus will be 50 movie and electronic games executives scouting the talent. One studio even arranged to jump a pane on the competition, claiming to have reserved the date on the invitation: *Gettersen*, start your engines.

## CLASSROOM ROUNDUP

Living history? If Wasyl Odyntsiy were alive today, he would be 119 years old. But he is alive only as a "virtual immigrant" from Ukraine, living on the Internet to teach Manitoba schoolkids about life on the Prairies in 1920. Responding to a paucity of educational materials about Manitoba history, the River East School Division, Manitoba Archives, Heritage Canada, and the faculties of education and history at the University of Manitoba have put together an Internet site called TimeLinks to help students learn about their heritage. Students can exchange e-mail with their virtual pen pals—in reality, Manitoba history teachers—including participants in the Winnipeg General Strike or others such as Wasyl Odyntsiy. "The idea is to bring the social context of the time alive," says project co-ordinator Helen Bochkroff. "To create entire on-line communities."

In court. Over the past three years, Catholic school authorities in Newfoundland have been on the losing end of two provincial referendums and watched a constitutional amendment strip them of their long-standing authority over religious schools. But next month, they will be back in court—this time, however, they have been set aside, beginning on May 11—to argue for an injunction to halt school closures and consolidations planned for September. (Adventure France, executive director of the Roman Catholic Education Committee in St. John's, says the injunction is just a first step to get to the real court case, the constitutionality of the recent school changes. Meanwhile, the Roman Catholic School Boards' Association of Alberta is considering an appeal to the Supreme Court of Canada of a 1994 provincial law stripping it of its taxation power. Earlier this month, the Alberta Court of Appeal rejected the association's contention that the law was discriminatory because it allows the province's Catholic school boards to opt out of a common taxation pool and to levy their own education taxes. Citing a previous Supreme Court ruling, the Alberta court said: "In our view, there is nothing in this decision to suggest that public school supporters are entitled to the same protection [against discrimination] as denominational school supporters."

School swaps. The rush to renege Quebec's formerly denominational school boards along purely English and French lines by September is proceeding—with tension. The latest on the anxiety meter is the fear that Francophone parents and school administrators are opening some of the larger, better-equipped and understaffed Anglo schools on Montreal's West Island. On Montreal's South Shore where Catholic and Protestant boards have been closely intertwined, plans are already in the works to close one English elementary school and hand over nine others to the new French boards, including St. Lambert Elementary, the school that pioneered French immersion.

## Death from side-effects

In 1960, Neda Nichoda was 31, pregnant and looking forward to a good life. Then, her doctor in Burnaby, B.C., found she had high blood pressure, and she has spent the past 38 years on prescription medication. In the early 1980s, Nichoda, now 69 and a retired bookkeeper and translator, developed severe gout that disfigured her feet so badly she could barely walk, carpal tunnel syndrome that prevented her from lifting so much as a pot, a painfully sensitive scalp, and a threat to see the sun would wake her at night. It did not occur to her that the medication may have been the problem, until 1993, when she saw a doctor on television warn about adverse drug reactions. Nichoda sought out the doctor, Vancouver clinical pharmacologist Robert Rogers, who generously switched her medication. Within months, her side-effects faded or disappeared entirely. "That was the

best day of my adult life," Nichoda says of her first appointment with her new doctor. "If I had not gone to see him, I think I'd be in a wheelchair today."

Nichoda was lucky. A disturbing new study by University of Toronto researchers suggests that currently all misadventured drugs kill an average of 336,000 people a year in the United States. That would make adverse drug reactions, or ADRs, the fourth leading cause of death, trailing only heart disease, cancer and stroke. The controversial report, published in the April 14 issue of the respected *Journal of the American Medical Association (JAMA)*, says about 2.2 million



Pemerance (left), Lazarus, many more lives are saved than lost

Americans annually suffer a drug reaction severe enough to require hospitalization, prolong a hospital stay or even cause death or a permanent disability. Dr. Bruce Pemerance, a professor of physiology and anatomy and the report's principal investigator, says a comparison of U.S. data with that from 22 countries, including Canada, found no sig-

nificant differences. Extrapolating the U.S. figures, Pemerance estimates about 30,000 Canadians a year are dying from severe drug reactions. "This is a worldwide problem," he says.

The revelations emerge from an analysis by Pemerance and medical student Josee Lazarus, the report's author, of 39 studies conducted in U.S. hospitals since 1960. The researchers calculate there is more than 78,000 and 132,000 drug-induced deaths annually. Even at the low end, that would still make ADRs the sixth leading cause of death.

The Toronto researchers excluded deaths due to prescriptions or dosage errors, suicides and drug addiction. Almost one quarter of the deaths were from allergic reactions. Conceivably, some of those—and many of the others—could have been avoided by a more thorough understanding of the various drugs' properties. But Pemerance declines to assign blame. "Drugs have enormous benefits," he says. "If 100,000 people are killed, maybe 10 million are saved. That's no reason to stop taking drugs." Dr.

Tom Perry, a clinical pharmacologist at the Vancouver Hospital and Health Sciences Centre, however, says medical schools spend too little time on drug instruction. "There's a famous quotation about physicians," says Perry. "They poured drugs of which they knew little into patients about whom they knew even less, which is absolutely poisoning when you think about how hard it is to understand one drug with, let alone dozens or hundreds."

## Medicines may kill over 100,000 each year in North America

Others say the Toronto report represents only the tip of the iceberg, that there are far more adverse drug reactions among patients outside of hospitals than at home, where the studies took place. In Vancouver, Rangno helped create the University of British Columbia's Therapeutics Initiative, a drug awareness program for doctors. He says doctors get the majority of their information from drug manufacturers. "And what do they want to do?" Rangno asks. "They want you to use the biggest dose most of the time."

But any blame directed at the drug industry would be misplaced, says Judy Boda,

president of the Pharmaceutical Manufacturers Association of Canada. "We are spending a fortune on trying to get patients educated," she says. When the association commissioned a study of people taking drugs outside hospitals three years ago, it found similar results. "We were not surprised," Boda says.

Others see it differently. Mark Berkenbos, director of educational services with the Health Action Network Society in Burnaby, B.C., criticized governments and drug manufacturers for trying to curb adverse medicines. "They're pushing products that haven't been properly tested," Berkenbos adds, "yet expecting all of our alternatives." An editorial in the same issue of *JAMA* as the Toronto research cautions that there are inherent weaknesses associated with the kind of study of studies that Pemerance and Lazarus conducted. Combining results from small studies, which are diverse in character, it warns, "does not necessarily get one closer to the truth." But, it also acknowledges, "even if the true incidence of ADRs is somewhat lower than reported, it is still high, and much higher than generally recognized." Nichoda learned the hard way about that risk. "Before, I didn't question what my doctor was telling," she says. "But I ask questions now." An example to live by.

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## Books



Hughes, Plath in 1956, wedding—often at great pain—is understood their vital connection

## Remembering Sylvia

### BIRTHDAY LETTERS

By Ted Hughes  
(Penguin, 1988 pages, \$25)

It is now 35 years since the brilliant young American poet Sylvia Plath killed herself by putting her head in a gas oven. Yet her tragic act, apocalyptic in scope, has made her, like a huge American poet, a household name. Proof lies as near as the latest best-seller lists, where for several weeks a remarkable book of poems called *Birthday Letters* has appeared alongside the latest John Grisham war Tom Clancy novel. The book is by Plath's husband at the time of her death, English poet Ted Hughes. That it is being listed among works of fiction should give us no one.

*Birthday Letters* is Hughes's account of his troubled six-year marriage to Plath, and an attempt to come to grips with the griefed and worried wife, in her final months, produced the darkly hypnotic poems of her landmark collection. And Hughes himself is one of the best poets writing today, and *Birthday Letters* contains some of his finest work. Yet its merits will probably be overshadowed by the controversy that still swirls around him and Plath.

Over the years Plath's supporters, including many feminist writers, have built up a picture of Hughes as a heartless egotist who precipitated Plath's final depression when he left her for another woman. They also criticize him for destroying one of Plath's diaries, which may have contained crucial information about the writing of *Witch*. Hughes, who is currently England's Poet Laureate—has explained that he destroyed the book because he did not want their two children to read his troubling confessions. Meanwhile, his own supporters have long maintained that he, with the high status, amiable Plath was in supportable.

At times, this feud has reached near extremes. Plath is generous to Yorkshire has been depicted and even stolen by feminists who dub her designation as an "Anglo-Hughes" (her name, in fact, at the time of her death). Hughes himself remained publicly silent—only the release of *Birthday Letters*. Doubtless, many readers have already combed the book for biographical evidence, as well as for proof of the guilt or innocence of the involved parties. But it contains less new factual information than many are hoping for. For example, it says nothing about the

outside world, and very little about Hughes's midlife love. Hughes is a writer, poet, not biographer, and clearly feels he owes nothing to the strictly canon.

Yet there is no denying that these 88 poems are deeply personal. In most of them, Hughes addresses Plath as "you," and there is a living through of the book that he is writing—often in great pain—no understanding a vital connection with a woman he has never, in some sense, ceased to love. The poems follow their time together in rough chronological order, starting with their initial first meeting in 1956 at Cambridge, where Plath, then 20, had recently landed as a Fulbright Scholar. In the poem "St Botolph's," Hughes recalls being seated at 25 upon first sight of the long-legged American student at a party. While talking to her, he suddenly noticed her hair as a summer. When he bent to kiss her on the neck, Plath hit his cheek, leaving "a swelling ring of most of toothmarks."

They were married a few months later. And it would seem that Hughes, not more than he bargained for Plath—as bright, reasonable and competent as the surface—was haunted by deep bouts of depression, mania and panic, inescapable at least in part, to her later's death, when she was 33. *Birthday Letters* catches her complex, frustrated personality more shakily than anyone else is ever likely to. Hughes has a genius for invoking the presences of nature, and in these poems he uses his gift to embody the deep and often contrary psychic currents in his wife.

In lines of rough, sketch-like freedom and spontaneity, he narrates his own and Plath's lives as if language in terms of poems, sermons and other forms. Sometimes these musings are drawn directly from the couple's experience. The wonderfully entertaining "The 59th Year" recalls their escape with a rambling bear during a 1959 camping trip to Yellowstone park. But Hughes delves even deeper when he transforms ordinary domestic scenarios into a melody of distress in the masterful poem "The Rain Bird." Plath's words make a rag whose cells become a snake that, like the one in Eden, comes consciously between husband and wife.

The same poem hints—as so many others do—at the fate lying in wait for Plath. Hughes believes that her creativity and self-destructive impulses were deeply entwined

Set her search for yet beyond the precision of her craft and feel her true voice seems to have languished unconsciously enough. In "The Minotaur," Hughes recalls her rape—she destroys an heirloom table with a hammer—when he is a few minutes late for his own at baby-sitting. "Marvellous!" (as infatigable Olson, *Stressful Understanding*) "That is the stuff you're keeping out of your poems!" Eventually, Plath learned to put her dark side into her poetry, but—at least in Hughes's sense—than at least going on to her obscurity with her dead father. One—the figure who plays such a pivotal, witness role in *Witch*. In "The Minotaur," Hughes goes on to lament that, in helping Plath find her poetic voice, he has given her



The author, the poet's husband, is understood how far Plath

"the bloody end of a secret" that will ultimately lead to the destruction of her marriage and her life.

The psychology of all this is, of course, debatable. Yet the book's final worth may not come clear until some future date when the patterns of Hughes's contemporary no longer cloud the view. For quite beyond their biographical value, these poems offer a profound counterweight to the current, shallow notion of human beings as consumers, welded to a growing carapace of material objects. *Birthday Letters* says something else. That any attempt at authentic living must take into account the passions, controlling forces of our psyches, of nature and of life. This is, finally, a tragic vision, but one partially redeemed by the rare skill, honesty and tenderness of a poet determined to engage his passing ghosts.

JOHN HENRIKSEN

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# Games people play

Two movies turn on bluff, blind faith and betrayal

BY BRIAN D. JOHNSON

A good dramatic intrigue, like a game of cards, involves bluff, blind faith and wild confidence. The Spanish Prisoner is a sly American thriller. *Shifting Doors* is a narrative comedy from Britain. But both are ingenious tests of guesswork, guessing games that lead through labyrinthine plot twists to answer a single, suspenseful question: can anyone be trusted? Also, both films come from writer-directors who have won Hollywood status in new Hollywood roles. The Spanish Prisoner features Steve Martin in his first non-comic performance, as a shady businessman; *Shifting Doors* presents Gwyneth Paltrow as a young Jessica Thompson type, a sensible Englishwoman lured by questionable men.

The Spanish Prisoner, which takes its title from a classic confidence game, unfolds in an elaborate con, one that lures the hero, and the viewer, scrambling for the truth right down to the last, exquisite turn at the plot. The con artist behind the camera is David Mamet, America's leading virtuoso of stage and screen dialogue. His film scripts range from the courtroom drama of *The Verdict* to the White House satire of *Wag the Dog*, from the cultural capitulation of *Glengarry Glen Ross* to the mad gender politics of *Glennan*. The Spanish Prisoner—which recalls the shell game trickery of his feature debut, *Measure for Measure*—is the fifth film that Mamet has both written and directed. And it shows him at the top of his game.

Campbell Scott (Ole Nikol) stars as Joe, the investor of a top-secret semantic formula known only as The Process. The boss, Elton (Ole Gassner), lies him down to the Caribbean for a seminar with some big social climbers. On the beach, Joe strikes up a friendship with a mysterious businessman named Jimmy (Steve Martin), a jet-setting hustler of the universe, and they arrange to meet again back in New York City. Joe is worried that he is not going to get his compensation for his formula, and Jimmy offers to help him fight for it. But, as he takes on his boss, Joe becomes increasingly isolated, until he wonders if there is anyone he can trust—except Susan (Helena Bonham Carter), a new co-worker who has an obvious crush on him.

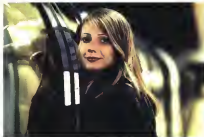
Mamet's direction, which is so spare and elliptical as his writing, takes getting used to. It is as if all the characters are talking in code. But once the story clicks in it gathers

irresistible momentum. Mamet's can't-miss dialogue is delivered with immaculate timing. Scott conveys a hair-trigger vulnerability as the innocent who becomes nervously trying to stand up for himself. Martin leads surprising weight to his role as the loquacious businessman. And Paltrow (the director's wife) displays an evocative sex appeal as the secretary disarming Joe with her lewd advances. "You never know who anybody is," she says, spelling out the film's code. "Anybody could be anybody."

As the dialogue slips from enigma to

gets chafed up by a charming Scotsman named James (John Hannah), then arrives home just in time to catch her live-in boyfriend, Gerry (John Lynch), in bed with his former girlfriend, Lydia (Christine Trappolino). In a parallel story line, Helen rises to the task, gets mugged on her way home, and arrives after the Other Woman has left. Surely the movie cuts back and forth between the two plots, a director that is much more effective than it has any right to be. Much of credit goes to Paltrow, who makes both versions of her character utterly credible. Her English accent is seamless. And she is one of those actors whose acting is always invisible. She can use an intriguing look or a trifling eye glance to convey a world of emotional complexity.

The other characters, though engaging, are more narrowly drawn. As Helen's new suitor, Hannah (the bearded gay lover in *Four Weddings and a Funeral*) plays a pathologically funny nice guy, the supportive friend who tries to argue to romance with a witcraft. As Gerry, who is pretending to



Paltrow, a welcome justice-chaser after a diet of high-oh-five Hollywood romances

apogee ("Worry is like interest paid on a debt that never comes due"), Mamet lays a careful ambush with the plot. And The Spanish Prisoner answers the viewer with such diabolical sleight-of-hand that only at the end do you realize that you have, in fact, been watching a thriller.

*Shifting Doors*, meanwhile, is one of the freshest, most inventive romantic comedies to come along in ages. A sweet, funny tale of love lost and found, it is quite conventional—with one startling exception. It's two movies in one. Early in the story, Helen (Paltrow), who has just been fired from her job as a London PR executive, tries to catch a subway train. As the doors close, the narrative suddenly splits into two parallel plots. In one story line, Helen makes it onto the train,

write his first novel while Helen supports him. Lynch is cast as a hapless philosopher who digs himself in deeper with one slip after another. And Trappolino has great fun with her role as the ruthless Other Woman who is expertly losing her patience.

Making his feature debut, British writer-director Peter Howitt teases and pines between the dueling plots without ever losing his rhythm. Juggling humor and sentiment, he creates an off-kilter conflict that comes as a welcome palate-cleanser after a diet of high cholesterol. Hollywood romances quote the *As Good as It Gets*, *Like Four Weddings and a Funeral*, *Shifting Doors* mixes romantic comedy as a very English game of snakes and ladders—one that is terrifically entertaining. □



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# Allan Fotheringham



## Why Black will NOT start a new Toronto paper

There is coffee, in the truck, drinking your own bathwater. No one in the country cities if Conrad Black actually starts his national newspaper, as he advertises, in the fall—no one but other newspaper scoundrels.

Mrs. Diogenes in *Moon* law does not lose and turn on her pillow over Conrad's cockamamie scheme, which will prove him a genius once again—or only the second failure in his life. Only those of us who are lowly employees are intrigued by his lack of belief in his image in his home country. While he spends most of his time in a fancy old mansion across the pond.

Conrad is the only person in the world who has a larger vocabulary than William F. Buckley Jr. He is one of the few publishers in existence who is actually a media police. He was a pal of Nick Auf der Mauer, the delirious Montreal boulevardier and columnist who died too young than itself—because he did too much boulevarding to go along with his columnists.

The best man at Conrad's most recent marriage was Brian Stewart, the maverick CBC correspondent. Conrad and I used to joke long before I made a very bad career move by writing about his latest marriage. Life goes on. The essential rule of life, as Satchel Paige once said, is "Don't look back. Someone might be going on you."

The pushing factor about Conrad, who has never been accused of being stupid, is why he thinks Toronto needs his newspapers. New York, three times the size of Toronto, has recently retreated to just four—the high-class New York Times, two suburbs, the *New York Post* and the *New York Daily News*, as well as the *Huff Street Journal*, while *Weekend* has given up and withdrawn to its Long Island base.

Toronto has the *Star*, the biggest and richest paper in the land. Plus the *Map* and *Pink*, advertising itself as "Canada's National Newspaper"—a claim that Mrs. Diogenes in *Moon* law might dispute. There is the cheeky tabloid *Toronto Star* with its page 3 headline *Girl who does it quite love the courage to show the apples that keep the Fleet Street tabs alive. Ask The Financial Post*—Conrad's real target.



Conrad has a problem, and he knows it. Two problems, actually. One actual, the other subliminal. He owns all the major newspaper, through his Southern chain, in every major Canadian city from Montreal to Vancouver, except Winnipeg. His dilemma is that he—on his—can't break into Toronto. It's like owning a paper in Birmingham when you haven't got a sheet in London.

Thirty-seven per cent of the national advertising in Canada is based in Toronto. Which is more, as a per capita basis in the United States, than New York, Chicago and Los Angeles combined. He would like to buy *The Financial Post* (which he inspired to its birth as a daily and he helped it succeed), but has now rebuffed its entreaties. He would like the *Map* and *Pink*, but the aging Ken Thomson, so far has given in to his editors' pleas not to lie down in the street and accept the cheque.

The punditism is that the more is intelligent readers of the *Montreal Gazette*, *Ottawa Citizen*, *Regina Leader Post*, *Saskatoon StarPhoenix*, *Calgary Herald*, *Edmonton Journal*, *Vancouver Sun* and *Vancouver Province* probably also pick up the *Map* and *Pink* at *The Financial Post*. Are they now going to read three papers a day? We think not.

The subliminal plot, as Dr. Freud could tell us—and all of us who know and secretly love Conrad know—is that he has an ego larger than the Titanic. When on his visits to lunch at the Toronto Club from across the water, it matters little that he owns the *Globe and Mail* or the *Edmonton Journal* that all the tycoons in their expensive gustapoats suits have never read.

He has to have a Toronto rag—for bragging rights. He didn't quite manage his London dream; to become the new Lord Beaverbrook. Had some small problems with the City of London boys.

He's a delightful guy in person and as brilliant as those of us who actually admire Conrad wonder how he could get sloppy with the facts, as he did on one occasion. In his modest moments, confined, modestly, *A Life in Progress*, he displayed some most puzzling descriptions of a certain event that this scribe was involved in. His imagination ran away with his memory, rather like all those toy soldiers he lines up for those Battle of Waterloo face-offs with his pal, Prince Hal Jackson.

We think Conrad is actually bluffing when he pretends that Toronto can support five newspapers when New York can support only four.

We think, before the autumn leaves fall, Conrad is going to march into the office of Ken Thomson (who may be out buying caviar sandwiches at *The Bay*) or Paul Godfrey at *Sea Meek* and open his wallet and ask how much they want.

We do not think Conrad is really going to start a new national newspaper. And if he does? It's always open for others.

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If you ever wondered where the Pontiac Trans Sport ranks amongst other minivans, you might want to pick up the February issue of *Car and Driver*.<sup>\*</sup> (If you haven't guessed already, it came out on top.) When you consider the fact that it's got all-weather traction control, flexible seating for eight; standard 4-wheel ABS, rear seat audio control, self-sealing tires, and a 180 horsepower V6, it would've been a crime if it hadn't been ranked number one.

So, when you think about it, it's no wonder that it takes a Trans Sport driver a week to fetch a burrito.

But then again, it's built for drivers, isn't it?

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